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TAX PRIVILEGES FOR FOREIGN COMPANIES EXTENDED

OW230906 Beijing XINHUA in English 0853 GMT 23 Jan 86

[Text] Beijing, January 23 (XINHUA) - Two tax incentives to foreign companies doing business with China have been extended for another five years, the Finance Ministry announced today. Ministry provisions offering tax cuts in two types of business deals, which were introduced in 1983 and which were to have expired last year, have now been extended until the end of 1990. A ministry official said the move was aimed at attracting more foreign funds to China.

Firstly, foreign businesses signing credit and trade contracts with Chinese companies over the next five years will continue to pay income tax at a rate of 10 percent (half the normal rate) on all interest earned on loans, funds advanced and deferred payments during the contract periods. And foreign leasing companies providing equipment and components to China through leasing deals signed during this period will also continue to enjoy the same tax cut on profits made from rental fees during the contract periods. Other 1983 provisions on tax reductions or exemptions on interest earned from China by foreign businesses did not stipulate time limits, and remain in force, the official added.

REAGAN URGES RESULTS AT STOCKHOLM CONFERENCE

OW221418 Beijing XINHUA in English 1314 GMT 22 Jan 86

[Text] Washington, January 21 (XINHUA) -- U.S. President Ronald Reagan said today the United States should seek concrete results at the Stockholm Conference on Security and Disarmament in Europe, which resumes January 28. Reagan made the remarks while meeting with Ambassador Robert Barry, head of the U.S. delegation to the Stockholm conference.

In a statement issued after the meeting, Reagan expressed satisfaction with the progress made during the last round of the Stockholm discussions, saying that "an accord with important implications for the overall East-West relationship can be achieved there this year." Reagan said that he and Soviet leader Mikhail Gorbachev agreed at the Geneva summit last November that the two countries would work together and with others at the Stockholm conference. "If the Stockholm conference is successful, it can help to lower the barriers which now divide Europe artificially East from West, thereby making the threat or use of force less likely," he added.

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Thirty-five nations, including the United States, the Soviet Union, North Atlantic Treaty Organization, Warsaw Pact and some non-aligned nations, will take part in the Stockholm conference. The coming session of the conference will last until July 18.

NATO REACTION FAVORABLE TO GORBACHEV PROPOSAL

OW180816 Beijing XINHUA in English 0708 GMT 18 Jan 86

[Text] Brussels, January 17 (XINHUA) -- Soviet leader Mikahil Gorbachev's arms reduction proposals which would see a complete nuclear disarmament by the year 2000 have been received favorably by NATO. "NATO welcomes all proposals that can contribute to arms reduction," a NATO spokesman said Thursday. He said the proposals "Will be very closely studied when they are formulated at the proper place -- the negotiating table at Geneva."

Arms control negotiations between the United States and the Soviet Union resumed Thursday in Geneva.

The spokesman added that U.S. negotiators are in constant touch with NATO allies and that NATO's position regarding the proposals will be determined after they are thoroughly studied and discussed.

France To Examine Proposal

OW171050 Beijing XINHUA in English 1034 GMT 17 Jan 86

[Text] Paris, January 17 (XINHUA) -- France will carefully examine the new Soviet disarmament proposals outlined by Soviet leader Mikhail Gorbachev Thursday, but the idea of total disarmament is not a new one, French Foreign Minister Roland Dumas said today. Gorbachev's plan calls for a 50 percent reduction of nuclear arms by both the United States and the Soviet Union within five to eight years and the complete elimination of the world's nuclear arsenal by the year 2000. The plan was announced to coincide with the opening of the Geneva arms talks between the Soviet Union and the United States.

The idea of complete disarmament has long been the subject of international deliberations, the French foreign minister said, yet up to now no accord has been reached on a minimum balance of forces, whether nuclear or conventional. Dumas pointed out the three conditions that would allow France to take part in an effective and verifiable nuclear disarmament process. These are: a substantial reduction in the imbalance of the nuclear arsenal between France and the two superpowers, correcting the present edge enjoyed by both the U.S. and the Soviet Union in chemical and conventional weapons, and finally, that no new weapons systems be built that could bring about a destabilization of deterrence and therefore of peace.

TRADE MINISTERS' MEETING ENDS IN U.S.

OW190924 Beijing XINHUA in English 0909 GMT 19 Jan 86

[Text] Washington January 18 (XINHUA) -- Trade ministers of Japan, Canada, the European Community (EC) and the United States ended a three-day meeting on Saturday agreeing on goals for new global trade negotiations. The ministers also called for a process to speed up the settlement of international trade disputes, according to reports from Coronado, California.

The meeting was designed to set the stage for a new round of international trade talks to be held under the auspices of the General Agreement on Tariffs and Trade (GATT). It was reported that all four ministers stressed the importance of new negotiations. "We need it to strengthen the system, we need it to fight back protectionism. We must send that message to those who are still hesitant," said Willy de Clercq, EC vice-president for external relations at a news briefing.

The last round of trade talks ended in 1979 in Tokyo. Although GATT members have tentatively approved a new round, many developing nations who are GATT members remain skeptical, fearing that advanced nations would use the negotiations to write rules which would allow businesses in advanced nations to make economic inroads into Third World economies and which would limit Third World exports to developed nations. The four ministers said the new GATT round must focus quickly on a plan for streamlining the dispute settlement process. They also agreed on ways to shield domestic industries from harm by foreign imports. In addition to the four-way talks, each party held individual sessions with each of the other four.

It was reported that both U.S. Special Trade Representative Clayton Yeutter and EC Vice-President Willy de Clercq expressed their dissatisfaction with the Japanese trade imbalance and urged Japan to import more goods from other countries. But Japanese Trade Minister Michio Watanabe said that his government is doing all it can to open more Japanese markets.

PRC STATUS IN ASSISTANCE ACT TO BE CHANGED

OW222126 Beijing XINHUA in English 2109 GMT 22 Jan 86

[Text] Washington, January 22 (XINHUA) -- The United States has decided to remove China from the application of a discriminating section of U.S. Foreign Assistance Act of 1961. Section 620 (F) of the act provides that no U.S. assistance should be provided to "any communist country" and lists China and Tibet, part of China's territory, as ineligible for assistance.

In the "Foreign Assistance Determination: China" published in the U.S. FEDERAL REGISTER on January 15, 1986, Secretary of State George Shultz, who signed the document on December 10, 1985, said that "the removal of China and Tibet from the application of" the above-mentioned section "is important to the national interest of the United States." Asked by XINHUA whether the wording "China and Tibet" in the secretary's determination affects the U.S. position on the status of Tibet, a spokesman of the State Department replied: "No. We consider Tibet to be a part of China." "This has been the U.S. position for many years," he added.

XINHUA REPORTS SLOW PROGRESS OF U.S. BLACKS

OW222123 Beijing XINHUA in English 2025 GMT 22 Jan 86

[Text] Washington, January 21 (XINHUA) -- Black Americans are somewhat frustrated by the slow pace of progress in their lives while celebrating the first U.S. holiday honoring Martin Luther King Jr. yesterday. Dr. King, a hero who was fighting for the U.S. blacks' right, was assassinated in 1968. Today, while some blacks are pleased with the dramatic gains, some still believe that racial discrimination is still strong in the country.

Although many blacks have painstakingly achieved in economic and scientific fields in the past few decades, 28.6 million blacks, 12 percent of the nation's population, still lag far behind whites in every measure of economic and social well-being in the country, according to U.S. newspaper reports. One third of the black people are below the poverty line. Among them, about 2 to 3.5 million are described by many U.S. sociology specialists as an "underclass" which seems beyond the reach of the existing social programs. Statistics released here recently show that black unemployment was 14.9 percent last December, compared to 5.9 percent for whites. For black teenagers, the rate was 21.6 percent, versus 15.9 percent for white teenagers.

The underclass blacks are concentrated in urban ghettos, such as the south Bronx in New York. Even the black middle class no longer live in the inner city in those U.S. metropolises, that is left almost exclusively to "the most disadvantaged -- people outside the mainstream, criminals, families with long-term spells of poverty and welfare dependency," said William J. Wilson, chairman of the Sociology Department at the University of Chicago.

BANK OF CHINA APPROVES TIES WITH FLORIDA BANK

HK210430 Beijing CHINA DAILY in English 21 Jan 86 p 2

[Text] The Bank of China has approved the request of Capital Bank of Miami, to enter into a direct correspondent banking relationship, the eighth such relationship to be approved with a U.S. bank and the first with a Florida bank.

The international department of the Bank of China has designated the Urumqi branch of Xiniang Uygur Autonomous Region to be the day-to-day Capital Bank corresponding branch of the Bank of China. Capital Bank is already working successfully with the Urumqi branch in financing a new 50,000-spindle, $40 million textile mill.

XINHUA NOTES TASS REPORTING ON PDRY CONFLICT

OW230406 Beijing XINHUA in English 0254 GMT 23 Jan 86

[Text] Moscow, January 22 (XINHUA) -- The Soviet Union today announced emergency assistance for the residents of Democratic Yemen, where a violent power struggle began January 13, the TASS news agency reported. The relief supplies, to be sent to Aden, the capital of the country, include medicines, bandaging materials, blankets, tents, baby food and other goods, the report said.

The assistance will be provided to the population, which "has suffered as a result of recent armed clashes in the country," TASS said. The official news agency did not specify which of the two warring factions would distribute the aid to people affected by the conflict.

The decision was made by the Soviet Red Cross and Red Crescent Societies "in the spirit of friendship and close cooperation characteristic of relations between the Soviet Union and the People's Democratic Republic of Yemen," TASS said.

On January 13 when the conflict erupted, TASS in a report quoted the ruling Yemeni party's statement as saying "counterrevolutionary elements" had staged a coup aimed at murdering Yemeni President 'Ali Nasir Muhammad. But in reports since then, TASS has refrained from condemning either side in the Yemeni conflict.

SOVIET DEPUTY FOREIGN TRADE MINISTER DISMISSED

OW221815 Beijing XINHUA in English 1527 GMT 22 Jan 86

[Text] Moscow, January 22 (XINHUA) -- Vladimir Sushkov, a top Soviet foreign trade official, has been relieved from his post and charged with corruption, foreign embassy trade attaches said here today. On the same day, a spokesman of the Soviet Foreign Trade Ministry confirmed that Sushkov was no longer the deputy foreign trade minister. But the spokesman did not explain the reason for the dismissal.

Western sources said Sushkov had been arrested and charged with involvement in taking bribes from foreign businessmen. Sushkov, 65, had been a deputy foreign trade minister since 1974. Since 1976 he had also been the Soviet co-chairman of the Soviet-U.S. Trade and Economic Council, a group of private American businessmen and Soviet trade organization representatives formed to promote bilateral trade. A spokesman at the council's Moscow office also said Sushkov was no longer with the ministry or the council.

The council met in Moscow last December and was attended by nearly 400 American businessmen. Sushkov spoke at the meeting. Sushkov's discharge was seen as one of a series of steps now being taken by the Kremlin in its campaign against illegal activities in the economic sector.

SOUTH KOREA BLAMED FOR POSTPONEMENT OF TALKS

OW221115 Beijing XINHUA in English 0841 GMT 22 Jan 86

[Text] Pyongyang, January 22 (XINHUA) -- South Korean authorities are responsible for the postponement of the 11th Red Cross talks and the preparatory meeting for the third parliamentary talks between the North and the South of Korea, Red Cross and parliamentary delegates from the North said today.

Red Cross delegate Kim Chong-yul and parliamentary delegate Chon Kum-chol told their southern counterparts by telephone that South Korean authorities are ignoring the North's peace proposals and untiring efforts to promote the North-South dialogue by deciding together with the United States to go ahead with "Team Spirit-86," a large-scale military exercise. The North is "concerned and regrets" the obstacles placed in the way of the North-South dialogue by Washington and Seoul and the subsequent postponement of the talks. The planned joint military exercises demonstrate that the U.S. and South Korea disregard the value of the dialogue, the two delegates said, and the date for future talks will not be fixed until the end of the exercises.

The 11th Red Cross talks and the preparatory meeting for the third parliamentary talks had been scheduled for February 26 and 18 respectively. However, after the U.S. and South Korea decided to go ahead with the military exercises, the Red Cross, economic and parliamentary delegations of the North announced January 20 that the three sets of talks would be postponed until after the military exercise. "Team Spirit-86" is scheduled to run from February 10 to late April.

DPRK Statement

OW230844 Beijing XINHUA in English 0839 GMT 23 Jan 86

[Text] Pyongyang, January 23 (XINHUA) -- The Committee for Peaceful Reunification of the North side of Korea today demanded that the U.S. and South Korean authorities cancel the "Team Spirit-86" joint military exercises scheduled to begin January 10.

In a statement carried in a Pyongyang newspaper the committee said the joint military exercises are causing heightened tension on the peninsula and has broken down the North-South dialogue. It said that since the beginning of the year, the North has made efforts to continue the dialogue and defuse tensions. But, South Korea and the U.S. just responded with the provocative "Team Spirit-86" joint military exercises. "The Korean problem must be solved through dialogue and consultation", the statement stressed. It urged the South to cherish the dialogue for reunification and cooperation. The statement asks the U.S. and the South Korean authorities to give up their plan for "Team Spirit-86" to show their willingness for the success of the North-South dialogue and reunification.

SOVIET FOREIGN MINISTER ENDS DPRK VISIT

OW230834 Beijing XINHUA in English 0821 GMT 23 Jan 86

[Text] Pyongyang, January 23 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze left here today for the Republic of Mongolia following a five-day official visit to Korea. During his five-day visit, Shevardnadze met with the president of the Democratic People's Republic of Korea, Kim Il-song, and had talks with Korean Vice-Premier Kim Chong-nam.

Shevardnadze, according to the KOREAN CENTRAL NEWS AGENCY, told Soviet and Korean reporters yesterday that the talks focused on bilateral economic cooperation, trade, culture and international issues, on which they "reached unanimous agreement." Shevardnadze said he delivered a letter from Soviet President Mikhail Gorbachev to President Kim, inviting Kim to visit the Soviet Union. Kim also invited the Soviet leader to visit Korea, he added. The Soviet foreign minister said he was deeply impressed by the Korean trip, and expressed the belief that friendship between the two countries would develop further.

During Shevardnadze's stay in Korea, the two countries signed treaties dealing with the boundary of economic waters and on civilian travel between their two countries. A joint communique on Shevardnadze's visit to Korea will be issued later today.

RENMIN RIBAO ON 'KEY' TO SINO-JAPANESE TRADE

HK210215 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 17 Jan 86 p 3

["Economic Commentary" by Wei Xiao: "The Key to Further Developing Sino-Japanese Trade"]

[Text] In examining the prospects for China's foreign trade at the beginning of this new year, the first country we would think of is Japan, our largest trading partner. And we place great hope on the further development of Sino-Japanese trade.

Since the normalization of diplomatic relations between China and Japan, economic and trade relations between the two countries have steadily improved. In 1984, Sino-Japanese trade increased by a big margin, amounting to $12.728 billion and accounting for 25.5 percent of our country's total foreign trade volume, an increase of 42.2 percent over the previous year. Of this, our country's export trade reached $5.354 billion, an increase of 20 percent over the previous year; and the import trade amounted to $7.37 billion, an increase of 59.6 percent over the previous year.

In 1985, Sino-Japanese trade continued to grow rapidly. It is expected to reach around $17 billion, an increase of about one-third over the previous year. However, in 1986, can we still maintain such a growth trend?

Generally, the development of Sino-Japanese trade has been smooth, and it has greatly benefited both sides and become an important sign of friendly cooperation between the two countries. Nevertheless, a trade imbalance problem exists between the two countries. In over 30 years of Sino-Japanese trade, China has had an unfavorable balance for more than 20 years. Over the last 2 years, this problem has become more and more outstanding. In 1984, China's trade deficit reached $2 billion; and in the first 9 months of 1985, amounted to $3.8 billion. It is estimated that China's trade deficit for the whole of 1985 might reach $5 billion. If this trend continues, it will not be advantageous to the healthy development of trade between the two countries.

Foreign trade should include both imports and exports, and only by exporting more can we import more. As the unfavorable balance in Sino-Japanese trade has reached a degree unbearable to China, the development trend in Sino-Japanese trade cannot be maintained. Just as Chairman Deng Xiaoping pointed out recently when receiving a Japanese delegation: "To develop permanently, Sino-Japanese trade should strike a balance," and "in international trade, it is acceptable if the unfavorable balance lasts only for 1 or 2 years; but it won't do for long."

The imbalance in Sino-Japanese trade has many causes. First, as the commodity structures of the two countries are different, the prices for the primary products exported by our country are low while the value added of the imported industrial products are high. Second, because last year we did not provide sufficient macroguidance for imports, some introductions were inappropriately repeated and the import of consumer durables grew too fast. Our country has adopted measures to resolve this issue. Third, the Japanese Government placed restrictions on some of our country's export commodities, thus obstructing the expansion of our country's exports to Japan.

Increasing exports of our country's commodities to Japan is the key to solving the problem of the imbalance in Sino-Japanese trade and realizing its stable and balanced development. To expand these exports, first of all, we should work out strategic plans for our exports to Japan and adopt correct policies and effective measures to ensure the smooth development of exports. At present, we should vigorously develop production and pay attention to raising product quality, extensively opening up export channels and strengthening transportation capabilities. We should strengthen our investigation and study of the Japanese market and constantly develop new commodities. It is also necessary to work out specific policies and measures to encourage exports, use imports to promote exports, and combine technology with trade. We should guarantee the normal export of traditional commodities, bring out our strong points, and expand the export of textile products and other light industries to Japan. Recently, it has been necessary to continue to expand the export of petroleum and coal to Japan. Over the long run, we should also gradually change the commodity structure of our exports to Japan and increase exports of finished goods, semifinished goods, and products with high value added.

Meanwhile, we hope that the Japanese Government, and industrial and commercial circles, will actively cooperate with our country and expand its imports of Chinese products. It is hoped that the Japanese Government will further open up its markets and remove its irrational restrictions on the import of Chinese goods. It is hoped that the Japanese Government will encourage the import of Chinese raw silk, silks and satins, rice straw and rice straw products, as well as fresh fruits, meat, and so on. We hope that Japanese enterprises will transfer their production and management technologies to China and assist and coordinate with China in developing its industrial finished product exports. The increase in China's ability to pay will directly result in the expansion of Chinese markets for Japanese export commodities. Undoubtedly, this is advantageous to the people of both countries.

We hope that, on the basis of the four principles of "peace and friendliness, equality and mutual benefit, mutual trust, and prolonged stability" for developing relations between China and Japan, Sino-Japanese trade and economic and cooperative relations will achieve a more healthy and sustained progress.

JAPANESE CORPORATION BOOSTS TRADE WITH PRC

OW191228 Beijing XINHUA in English 1218 GMT 19 Jan 86

[Text] Beijing, January 19 (XINHUA) -- The Nichimen Corp., one of Japan's nine largest commercial firms, signed trade contracts worth seven hundred million U.S. dollars with China in 1985. This marks a 15 percent increase in contract value over the previous year's, according to the latest issue of BEIJING REVIEW.

Nichimen ranks first among Japanese commercial firms in its import volume of kerosene for aircraft and cotton fibre from China. The corporation's imports of Chinese goods also include crude oil, garments, chemical products, soybeans, fodder, ducks, mineral products and timber. Its exports to China cover complete sets of equipment, machinery, electrical appliances, iron and steel. In 1985, China suffered a huge trade deficit with Japan. But, Nichimen maintained a balanced trade of imports and exports with China. In order to strengthen its trade contacts with China, the corporation will appoint a chief representative in charge of the business arrangements in the Chinese mainland and Hong Kong. The Nichimen Corporation began trade with China in 1953.

JAPAN SIGNS TRADE AGREEMENT WITH PRC 22 JAN

OW221105 Beijing XINHUA in English 1046 GMT 22 Jan 86

[Text] Tokyo, January 22 (XINHUA) -- China and Japan today signed a trade agreement by which China will export to Japan 8.8 million to 9.3 million tons of oil and 2.7 million and 4.1 million tons of coal every year from 1986 to 1990. Japan will export to China equipment, construction materials and technological expertise. Liu Xiwen, the Chinese representative and Ryuichi Kawai the Japanese delegate reached the agreement after a consultative meeting on long-term trade, the seventh held between the two countries. The two sides also signed a summary agreement which will be considered equal to the Sino-Japan long-term agreement signed in 1978.

SHANGHAI MARINE COURT IMPOUNDS JAPANESE SHIP

HK220513 Beijing ZHONGGUO XINWEN SHE in Chinese 1456 GMT 20 Jan 86

[Text] Shanghai, 20 Jan (ZHONGGUO XINWEN SHE) -- According to a report by a local newspaper, on 19 January, the Shanghai Marine court impounded according to law the 10,000-ton Japanese ship (Yusuki) Pioneer, which belongs to Japan's Tanaka Enterprises Ltd, because the ship had damaged a wharf at Beilun Port, Ningbo Prefecture.

On 30 December 1985, the Japanese ship (Yusuki) Pioneer, which was then berthed at Beilun Port, repeatedly struck the ore wharf because its anchor was slack, seriously damaging the approach piers. After the accident the Ningbo Port Office took legal action against the (Yusuki) Pioneer in the Shanghai Marine Court on 5 January 1986. After investigating the accident, on 10 January, the court approved the Ningbo Port Office's application demanding that Japan's Tanaka Enterprise Ltd provide a guarantee. The court ordered Tanaka Enterprise Ltd to provide 57,822,400 yuan to the court as a guarantee. The order also said that the (Yusuki) Pioneer could not leave port unless the guarantee was provided. If the ship failed to provide the guarantee on time, the Shanghai Marine Court would impound the ship. Because Tanaka Enterprise Ltd refused to provide the guarantee on time, the Shanghai Marine Court impounded the (Yusuki) Pioneer according to law on 19 January 1986.

The ore wharf at Beilun Port, Ningbo is the ore transfer wharf of the Shanghai Baoshan Iron and Steel Corporation. The wharf is a 100,000-ton deepwater wharf designed and built by China during the Sixth 5-Year Plan. Production involving the loading, unloading, and transporting of ore at the wharf has stopped since the the wharf was damaged. As a result, Ningbo Port has suffered enormous economic losses, and raw material and energy supplies for the Shanghai Baoshan Iron and Steel Corporation and some other enterprises have also been seriously affected.

CITIC INCREASES INVESTMENT IN HONG KONG BANK

OW222027 Beijing XINHUA in English 1938 GMT 22 Jan 86

[Text] Hong Kong, January 22 (XINHUA) -- An influential Chinese corporation announced here today that it is taking further steps concerning its investment in a Hong Kong-based bank which has financial problems. The Beijing-based China International Trust and Investment Corporation (CITIC), with its Chairman Rong Yiren, a famous Chinese entrepreneur, announced that it has appointed two companies as joint financial advisors in relation to the discussions taking place concerning its investment in the Ka Wah Bank Limited.

CITIC announced earlier this month that it was to become the majority shareholder of the Ka Wah Bank, one of the Hong Kong-based banks which attract funds from Overseas Chinese. This move is seen here as a contribution of a Beijing-based firm to stabilizing and promoting Hong Kong's banking.

The two advisor-firms are CCIC Finance Limited, a Chinese, Japanese and American joint venture, and China Investment and Finance Limited, a joint venture of CITIC and the Royal Bank of Canada. A CITIC official revealed that the corporation will entrust some law advisors to study its investment into the Ka Wah Bank from the legal viewpoint.

MCDONNELL DOUGLAS OPENS HONG KONG REGIONAL OFFICE

OW211739 Beijing XINHUA in English 1632 GMT 21 Jan 86

[Text] Hong Kong, January 21 (XINHUA) -- McDonnell Douglas China, a subsidiary of McDonnell Douglas Corporation, one of the world's largest aerospace and information systems companies, opened its regional office here today amid traditional Chinese "lion" dancing. According to Gareth Chang, president of McDonnell Douglas China, the American corporation considers the Asian-Pacific region, and in particular the People's Republic of China, vital to realizing the full and rapid growth of its international business.

McDonnell Douglas signed a near one billion U.S. dollar worth aviation co-production agreement last April with the Shanghai Aircraft Industrial Corporation and the General Administration of Civil Aviation of China. The signed agreement called for the purchase of 26 McDonnell Douglas MD-80 twin-jet passenger aircraft, with 25 of them to be assembled in Shanghai. The Shanghai factory has also built landing gear doors for MD-80s since 1979. Eighty percent of the landing gear doors for MD-80s used worldwide are now built in Shanghai.

This major development of the Chinese mainland is said to lead to McDonnell Douglas China's decision to expand its operations in this region and base the heart of its regional operations in Hong Kong. Anyhow the corporation would choose Hong Kong as its regional office even without this development, Gareth Chang said. He considers Hong Kong as a very good observation post for what has happened in the Asian-Pacific region. One third of the corporation's commercial aircraft are now sold to this region.

HONG KONG PLANS AIRPORT FACILITIES EXTENSION

OW221852 Beijing XINHUA in English 1838 GMT 22 Jan 86

[Text] Hong Kong, January 22 (XINHUA) -- The Hong Kong Government did have plans for improving and extending the facilities at the Hong Kong international airport, Financial Secretary John Bremridge said here today.

He said plans included a major extension of the passenger terminal building; construction of flyovers; extension of both passenger and cargo aircraft apron and parking areas; and a major modernization program of equipping the air traffic control services with advanced electronic radar, display and radio navigation facilities, to optimize runway utilization.

Hong Kong's international airport at Kai Tak has a capacity of handling 12 million passengers a year at present. When a five-stage expansion program is completed by 1988, the airport's passenger handling capacity will be increased to about 18 million a year, according to Trevor Oliver, assistant director of the Civil Aviation Department. Currently, 32 scheduled airlines are operating around 1,000 services a week to and from Hong Kong -- linking it directly with 70 major world cities, with no-stop services to 40 of them.

MARCOS REPORTEDLY MAY POSTPONE VER RETIREMENT

OW211856 Beijing XINHUA in English 1441 GMT 21 Jan 86

[Text] Manila, January 21 (XINHUA) -- President Marcos may not let General Fabian Ver, chief of staff of the Philippine Armed Forces, to retire before the scheduled February 7 presidential election as he announced to do so a week ago.

Speaking at a forum jointly sponsored by three businessmen groups here today, Marcos said it is not easy to find a successor to Ver, and there are so many things to consider. But on January 14, Marcos said Lieutenant General Fidel Ramos, deputy chief of staff, may replace Ver.

On the country's economy, Marcos reaffirmed his "firm commitment to free market," saying that private enterprise and initiative are the keys to the country's economic recovery. He said this is his first concern if he is elected anew the president. He assured that there will be no favored sectors or interests in the country's economic life. He also promised the businessmen that there would be no new taxes. Other measures he would take, he said, included the intensification of anti-smuggling drive, the passage of an anti-dumping law and support for the export sector.

MALAYSIAN BUSINESSMAN DETAINED IN SINGAPORE

OW221056 Beijing XINHUA in English 1049 GMT 22 Jan 86

[Text] Hong Kong, January 22 (XINHUA) -- Leading Malaysian businessman and politician Tan Koon Swan was taken into custody Tuesday night by Singapore authorities, according to Malaysia national news agency (BERNAMA). Tan was a major share holder in the Singapore giant Pan-Electric Industries group which is a hotel, property and marine salvage conglomerate that owes 175 million U.S. dollars to more than 30 banks and which went into receivership at the end of November last year. He was detained following investigations into the financial affairs of Pan-Electric Industries by the government commercial investigations department after the rupture of a negotiation between Tan and the creditor bank to resolve the crisis last month.

Pan-Electric Industries went into receivership on November 18 last year owing near 200 million U.S. dollars, triggering a crisis which closed the Singapore and Kuala Lumpur stock exchanges for three days. Then the creditor bank entrusted a company with taking over its property to avoid aggravating the crisis. Tan was elected president of the Malaysian Chinese Association (MCA) on November 24 last year. MCA is Malaysia's second largest political party that and a leading member of the ruling national front coalition.

BEIJING RADIO ON AFGHANISTAN PROBLEM, PART 2

OW221407 Beijing Domestic Service in Mandarin 1150 GMT 16 Jan 86

["International Current Events" program; second of three-part series on Afghanistan entitled: "Just What Is the Current Situation on the Afghan Battlefield?"]

[Text] To control Afghanistan, the Soviet Union has sent into Afghanistan 120,000 modern troops and stationed 30,000 more troops along the Afghanistan-USSR border. Using modern weapons such as airplanes, tanks, artillery, missiles, and napalm bombs, the Soviet aggressor troops have killed 1.1 million Afghan people and forced 4-5 million people to flee their homes and become refugees. However, instead of subduing the Afghan people, the Soviet aggressor troops' ruthless suppression of them over the past 6 years and more has invoked increasingly stronger resistance by them, which has left the Soviet Union in a dilemma.

The Soviet invasion of Afghanistan has set a precedent for its armed interference in a nonaligned country of the Third World, and the Afghan people's anti-Soviet struggle has also served as an example for Third World countries to have the courage to resist the Soviet Union, a superpower. World history has time and again proved that a big power can never be successful in conquering another nation using power politics and armed force. The Soviet Union's experience in Afghanistan is another proof of this truth.

The Afghan people, who have a glorious tradition of resisting foreign aggression, will never be subdued by a foreign enemy. On three occasions since the 1830's, British colonial troops attempted to invade Afghanistan, but they were driven out by the heroic Afghan people on all three occasions. Although the aggressors today are modern troops of a superpower, the Afghan people remain indomitable and dare to fight against the powerful enemy. Moreover, it has become a trend today that people the world over want peace and oppose war, and they will never allow a hegemonist to tyrannize other people.

As a just cause enjoys abundant support while an unjust cause finds little support, the Afghan people have become increasingly determined in resisting the Soviet invaders. They have repeatedly emphasized that they will fight the Soviet aggressors to the end, until their last drop of blood is shed. We can see from the changes on the Afghan battlefield over the past 6 years and more that the Afghan resistance forces are unconquerable antiaggression forces and that the Soviets will never be able to realize their aggressive ambition.

When the Soviet Union began to intrude into Afghanistan, they sent into the country huge manpower and material resources, intending to take over the entire country within a few weeks. Unexpectedly, however, the Soviet aggressor troops have encountered the Afghan people's increasingly stronger resistance, and what was intended to be a war that could be won quickly has become a protracted war. Today, the Soviet aggressor troops can only control some large cities and major communication lines in Afghanistan, whereas the rural and hilly areas, which represent 70 to 80 percent of the country, are under the control of the Afghan resistance forces, which include over 30 guerrilla groups with more than 100,000 soldiers who have been fighting the Soviets in most of the nation's provinces and regions.

Tempered in war over the past several years, the Afghan resistance forces' ability to conduct guerrilla warfare has continued to improve, and they have withstood the tests of the Soviet Union's powerful military pressure. In 1985, in particular, the Soviet aggressor troops launched several major offensives against the Afghan guerrilla forces in an attempt to destroy the guerrilla bases and annihilate the main guerrilla forces.

In some offensives, the Soviets mobilized as many as 20,000 troops. Confronted with the enemy's powerful offensives, the guerrillas scattered and took cover in areas surrounding the enemy and then launched surprise attacks against the enemy from all sides forcing the enemy to retreat. As soon as the enemy began to retreat, the guerrillas blocked the way with skirmishes and won more victories. In this way, they inflicted on the enemy more than 30,000 casualties and a loss of over 100 tanks and trucks in the major offensives of 1985. Thus, each major Soviet offensive invariably ended in defeat.

Over the past 6 years and more, approximately 15,000 Soviet aggressor troops have been killed in Afghanistan. The aggressor troops have also lost 480 helicopters and over 1,500 tanks and armored vehicles. In addition to attacking the enemy in the countryside and the hilly areas, the Afghan guerrilla forces have also attacked the heavily guarded capital of Kabul, some provincial seats, and even the Soviet aggressor troops' bases and the Soviet Embassy.

The Afghan guerrilla forces' conditions for battle and their weaponry have continued to improve. Today, all the guerrilla forces have their own bases, and some have a fair amount of submachineguns, antiaircraft guns, mortars, and antitank rockets. In some mountain passes and bases, which are targets for bombing by enemy planes, the guerrillas have also built antiaircraft bastions, forming a fairly powerful antiaircraft network that can stop the enemy planes from doing as they please.

The guerrilla forces, which used to act separately, have gradually started to operate with concerted actions. In May 1985, the seven major Afghan resistance organizations formed a united Islamic league of Afghan mujahidin so that their cooperation could be fully coordinated at home and abroad. In resisting the Soviet aggressor troops' major offensives, some guerrilla forces have fought in coordination, displaying their combined strength.

The Karmal regime propped up by Soviet bayonets is highly unpopular, and since the foundation of its rule is very frail, it will immediately collapse should the Soviet Union withdraw its support. The Soviet people at home are also opposed to the Soviet invasion of Afghanistan. In particular, the people in the central Asian republics, inhabited mainly by national minorities, have voiced their opposition to the invasion of Afghanistan. They simply do not want to become cannon fodder of aggression. The Soviet aggressor troops' atrocious slaughter of the Afghan people has also caused passive fighting, and some have defected to the guerrillas and turned their guns on the Soviet aggressor troops.

Internationally, the notorious Soviet occupation of Afghanistan has been a target of worldwide condemnation. On 14 January 1980, within a month of the Soviet invasion of Afghanistan, an overwhelming majority of members of the UN General Assembly adopted a resolution demanding that the Soviet Union withdraw all its troops from Afghanistan immediately and unconditionally. As of 1985, the UN General Assembly had adopted seven similar resolutions. Likewise, some international organizations and conferences have also denounced the Soviet invasion of Afghanistan, and an increasing number of international organizations and personages are providing humanitarian assistance to the Afghan people.

The Soviet Union is a major military power with a population of more than 200 million. Over the past 6 years and more, it has spent more than $10 billion in Afghanistan, but it still cannot subdue Afghanistan, a small country with a population of less than 20 million. Facts have proved that the Soviet Union will never be able to reverse this situation even if it continues to send more troops into Afghanistan.

CHEMICAL INDUSTRY MINISTER ENDS BANGLADESH VISIT

Meets With Ershad

OW181100 Beijing XINHUA in English 1037 GMT 18 Jan 86

[Text] Dhaka, January 18 (XINHUA) -- President Hussain Mohammad Ershad said he was happy to learn that the current second session of the Bangladesh-China joint commission held here was very fruitful. The president made the remark here this morning when he received Chinese Minister of Chemical Industry Qin Zhongda, who arrived here on January 16 at the head of a 10-member Chinese delegation to attend the three-day joint meeting beginning yesterday.

Qin congratulated Bangladesh on its recent discovery of coal deposits. He expressed China's willingness to cooperate with Bangladesh in the further exploration of coal deposits and in making feasibility studies of coal-related power projects. The president and the Chinese minister also discussed possibilities of Bangladesh-China cooperation in building village infrastructure, including road systems, in Bangladesh with the aid of Asian Development Bank and other international financial agencies.

China and Bangladesh held their first joint commission meeting in Beijing last September. After the current session which ends tomorrow, Qin is scheduled to take part in inaugurating a China-aided chemical fertilizer factory and to visit Bangladesh's largest seaport of Chittagong.

Departs for Home

OW230858 Beijing XINHUA in English 0850 GMT 23 Jan 86

[Text] Dhaka, January 23 (XINHUA) -- The second session of the China-Bangladesh joint commission has agreed on several programs for cooperation in the fields of trade, science and technology. This was announced by Chinese Minister for Chemical Industry Qin Zhongda at Dhaka airport today before departure for home after attending the session between January 17 and 19.

During his stay in Bangladesh, the Chinese minister visited a paper mill, a synthetic rayon factory, the construction site of a river bridge near Dhaka to be built with Chinese aid. He said he was very much impressed by Bangladesh's economic progress.

Qin Zhongda came here on January 16 at the head of a Chinese Government delegation to the session. The two countries held their first session in September 1984 after the joint commission was set up in 1983.

SUDANESE DELEGATION RETURNS HOME FROM PRC

OW221601 Beijing XINHUA in English 1505 GMT 22 Jan 86

[Text] Khartoum, January 22 (XINHUA) -- The Sudanese senior delegation led by Muhammad Tawfiq Khalil, member of the Sudanese Transitional Military Council and chief of General Staff of the Sudanese People's Armed Forces, returned here last night by air after a ten-day official visit to China.

The Sudanese chief of General Staff said that his visit to China is successful. He said, during the visit, Chinese leaders met members of the delegation and held friendly talks with them on the further development of relations between Sudan and China. He said that the delegation had signed agreements and protocols on culture, economy and trade with China. Tawfiq Khalil said that all the members of the delegation had pleasant time in China. "Although the weather in Beijing was very cold, all of us felt warm in our hearts," he concluded.

GCC OFFICIAL ON RELATIONS WITH USSR, U.S.

OW221820 Beijing XINHUA in English 1518 GMT 22 Jan 86

[Text] Kuwait, January 22 (XINHUA) -- Secretary General of the Gulf Cooperation Council (GCC) Abdalla Bisharah blamed the Soviet Union for its cold and careless stand towards the formation of the GCC, ARAB TIMES reported here today. Speaking at a meeting of Gulf diplomats in Riyadh yesterday, Bisharah said that the Soviet Union did not try to understand the new situation in the Gulf area after the establishment of the GCC, but followed its traditional method, and observed the GCC suspiciously from a distance.

Bisharah pointed out that the Soviet Union was initially "sensitive" toward the GCC because five of the six member states did not have diplomatic relations with it but had strong relations with the United States, and it was also annoyed by the GCC stand to its presence in Afghanistan. Bisharah recalled that relations between the Soviet Union and the GCC states were developed in 1985 in the wake of the establishment of diplomatic relations between the UAE and the Soviet Union and between Oman and the Soviet Union. But he said that the Soviet policy towards the GCC has not changed and he believed the Soviet Union would develop relations with individual members rather than the GCC as a body. He said that the Soviets were also working to remove Western influence in the area.

Commenting on the U.S. stand towards the GCC, Bisharah said the U.S. realised that the GCC states did not agree with Marxism and other ideologies, and benefitted from its historical relations with GCC states. This is why the U.S. supports the establishment of the GCC and is interested in knowing about the GCC policies in all fields. It also accepts dealing with the GCC as one organisation. Bisharah said that the U.S. relations with the GCC suffered from its stand towards the Palestinian cause and by its support of Israel. Bisharah stressed that the GCC policy was to avoid the area being linked to U.S. strategy and also not to give an opportunity for the Soviet Union to enter the area with its fleet.

YOUTH FEDERATION DELEGATION VISITS GHANA

OW191258 Beijing XINHUA in English 1248 GMT 19 Jan 86

[Text] Accra, January 19 (XINHUA) -- A Chinese youth delegation led by Yu Wentao, deputy secretary-general of the All China Youth Federation, left here this morning for Niger. This was the first visit paid by a Chinese youth delegation to Ghana in the past twenty years. The delegation was accorded a cordial and friendly welcome and reception by young Ghanaians.

The delegation came here at the invitation of the Ghanaian National Youth Organization Committee (NYOC). It held talks with members of the Standing Committee of NYOC. Both sides expressed the hope that their relations and cooperation could be further strengthened. During its week-long stay here, the delegation was received by Ghana's Provisional National Defense Council (PNDC) Secretary for Youth and Sports Amarteifio, PNDC Secretary for Greater-Accra Region Thompson and PNDC Secretary for Eastern Region Agyekum. The delegation also met leaders of various youth groups in Ghana and talked with Ghanaian young people from all walks of life.

AMNESTY DECLARED IN PDRY AS FIGHTING CONTINUES

OW221020 Beijing XINHUA in English 0856 GMT 22 Jan 86

[Text] Addis Ababa, January 22 (XINHUA) -- According to a report by an Ethiopian news agency, Democratic Yemeni President 'Ali Nasir Muhammad, who claims control of the country, has declared a general amnesty for hardline Marxist rebels who surrender. But diplomatic sources in the region report that rebel forces are gaining ground and fierce fighting is still ragins in the capital city of Aden.

The unconfirmed Ethiopian news report said that the amnesty was declared on Tuesday by President Nasir at the end of a meeting of the Political Bureau of the Central Committee of the Yemeni Socialist Party. It quoted a spokesman of the People's Democratic Republic of Yemen (PDRY) as claiming that with the exception of some mechanized units, most of South Yemen's Armed Forces were supporting the president's amnesty appeal. President Nasir, who visited Ethiopia last weekend, had earlier been driven f rom Aden by hardline Marxist rebels led by former Defence Minister 'Ali Ahmad Nasir Antar and ex-president 'Abd al-Fattah Isma'il.

The report quoted the president as saying that except for the central areas of Aden, the war-torn nation is under the "legitimate control of the Yemen Socialist Party and Government." It further added that the president had warned all rebels not to ignore his appeal, or "appropriate measures" would be taken. However, Aden radio, which is now controlled by the rebels, has announced that the country is returning to normal, under their control, after a fierce struggle for supremacy which began ten days ago in this small, embattled Arab nation. However, according to Arab and Western diplomatic sources in Sanaa, the capital of neighboring North Yemen, the situation is the strife-torn country remains uncertain. According to these diplomats, the rebels were gaining more ground in the provinces and Aden, while President Nasir was now operating from his home province of Abyan, east of Aden.

Foreign nationals evacuated from Aden have reported bodies littering the streets and press reports put the casualty toll at up to 9,000 people. In London, the British Defence Ministry said as many as 600 foreigners are awaiting evacuation, as rescue operations have been hampered by renewed fighting. Over 3,000 foreign nationals have already been brought out to the east African port of Djibouti in a multinational rescue operation started a few days after fighting broke out between the two rival factions on January 13.

NICARAGUAN DELEGATION BEGINS CHINA VISIT 18 JAN

Meets Economic Minister

OW201214 Beijing XINHUA in English 1159 GMT 20 Jan 86

[Text] Beijing, January 20 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, conferred with Dionisio Marenco, advisor of the Nicaraguan president and minister of planning and budget, here this morning. They exchanged views on the use of the interest-free loan provided by the Chinese Government to Nicaraguan Government. The loan, decided during the Nicaraguan party and government delegation's visit to China last December, will be provided in the form of goods.

Minister Dionisio Marenco arrived here January 18 at the invitation of the Ministry of Foreign Economic Relations and Trade. His delegation is the first high-ranking delegation sent by Nicaragua to China since the establishment of diplomatic relations between the two countries last December.

Meets Yao Yilin

OW211851 Beijing XINHUA in English 1839 GMT 21 Jan 86

[Text] Beijing, January 21 (XINHUA) -- Chinese Vice-Premier Yao Yilin met the first high-ranking Nicaraguan Governmental delegation to visit China here today. Led by Dionisio Marenco, minister of planning and budget and advisor to the Nicaraguan president, it is the first such delegation to visit China since the establishment of diplomatic relations between the two countries late last year.

Yao said China supports the struggle of the Nicaraguan people in safeguarding their national independence. He said China hopes for increasing trade between the two countries on the basis of mutual understanding.

Expressing satisfaction with the trip, Marenco said the establishment of diplomatic ties is beneficial for the furtherance of a many-sided relationship between the two countries. He said the two countries will set up their respective embassies soon. This will help promote their cooperation and Nicaragua's exports to China, he added.

WAN LI URGES SUPPORT FOR SCIENCE, TECHNOLOGY

OW191151 Beijing XINHUA Domestic Service in Chinese 0824 GMT 18 Jan 86

[Wan Li speech delivered 16 January at the national conference to exchange experience in doing local scientific and technological work: "Strengthen Support in Science and Technology, Develop Town and Township Economy"]

[Text] Beijing, 18 Jan (XINHUA) -- At the end of last year, the central meeting on rural work had made plans for rural work in 1986, which were reflected in Document No 1 issued by the central authorities. Soon after the document was made public, the State Scientific and Technological Commission and the China Association for Science and Technology immediately held a joint meeting to study and implement the requirements of Document No 1 of the central authorities on science and technology and mobilize the scientific and technological front in the country to serve rural economy. This is necessary and also timely.

At this meeting, the leading comrades from the State Scientific and Technological Commission and the China Association for Science and Technology and representatives from various localities summed up their experience in popularizing science and technology in the countryside and discussed measures on how to implement the Document No 1 of the central authorities. Comrade Fang Yi delivered a speech on behalf of the party Central Committee and the State Council. Comrade Du Runsheng and Comrade He Kang also delivered speeches. All these speeches were good. I completely endorse these speeches. Everyone is quite clear that developing the national economy with agriculture as the foundation reflects not only an economic law but also a law of nature. It is our party's long-term and steadfast strategic principle. In developing agriculture and the entire rural economy, we must rely on policy and science. In regard to our present situation, strengthening support for science and technology and developing town and township economy is of even greater significance and is a more pressing need. China has 800 million diligent and intelligent peasants. Once armed with modern science and technology, they will become a tremendous productive force. On this issue, I would like to express some of my views for your consideration.

First, in developing rural economy, we badly need science and technology.

Right now the political and economic situation in China is excellent. This is one of the best periods since the founding of the nation. Recently, several leading comrades at the central level delivered reports at the conference of cadres of central organs on the current political and economic situation and on the situation in reforming the economic structure. It is hoped that the comrades in the field of science and technology will earnestly study and master these reports in close connection with the actual situation.

Over the past few years, the rural economic situation has been fine. The enthusiasm of the 800 million peasants is higher than ever before. This is a major event able to influence the overall situation and stabilize the situation in the whole country. China has already scored tremendous achievements in carrying out rural reforms. Naturally, success in completing the first step in rural reforms does not indicate completion of those reforms. The new system has just been established, while the old one is still functioning. As the new system replaces the old, it is inevitable that there are still things incompatible in the superstructure. We need to solve this issue as our second step of reforms and gradually improve our new system. However, there is one thing we must reaffirm; that is, the peasants' enthusiasm suppressed by the "leftist" ideas in the past has already been whipped up under the guidance of the correct policy of the central authorities.

In the past 5 years, the total output value in agriculture has increased by 10.8 percent every year, while the annual rate of growth from 1953 to 1980 was only 3.5 percent. The total 1985 output value in agriculture reached more than 370 billion yuan, marking an increase of about 67 percent over the 1980 figure. The amount of grain available for each person in the country approaches the world average level. The amount of cotton available for each person in the country in 1984 was about 12 jin. The problem of supplying the people with enough food and clothes -- a worrisome problem that has existed over a long period in Chinese history -- has been basically solved. In spite of a decrease in grain production in 1985, the production of economic crops continued to increase on a large scale, the total product of society in rural areas and the peasants' per capita net income continuously increased, and the whole rural economy remained flourishing and prosperous. All this has further proven the effects of the reforms and filled the rural cadres and the broad masses of peasants with full confidence and determination to carry out reforms and attain the goal of quadrupling the gross annual value of industrial and agricultural production.

The tremendous developments in agriculture and in the entire rural economy over the past few years cannot be separated from the arduous long-term struggle and the selfless spirit of nearly a million scientific and technological personnel, particularly those in the field of agriculture. We should show our respect and appreciation for their hard work and tremendous contributions. The current issue is: In continuously developing the favorable situation in the countryside and further promoting the rural economy, to rely only on our efforts in engendering peasants' enthusiasm in general is no longer enough. We must arm peasants with science and technology. Only by strengthening our support in science and technology will it be possible for us to score new and even greater developments in promoting agriculture and the entire rural economy, This is key to further development of the rural economy.

In our world today, science and technology play a decisive role in the survival and development of society. All economic, political, and cultural development relies on the development of science and technology. If we cannot master and make use of advanced science and technology in organizing social production and the people's livelihood, we will be unable to keep pace with the march of time.

After initial reform measures, our rural economy has indeed become open and lively; the role of science and technology in raising economic results has daily become more significant; and peasant enthusiasm and consciousness in relying on science and technology have become higher and higher. The rural areas are a vast world where the peasants are yearning for science and technology and where scientific and technological workers and various scientific and technological departments can give full rein to their ability and skill. A host of facts has fully borne out the fact that when the peasants' enthusiasm is combined with science and technology, a new situation immediately emerges, not only in rural economic development but in scientific and technological work as well. Across the nation, many comrades are still not quite clear why modernization of science and technology is the key to the four modernizations and why revitalization of the rural economy relies on science and technology. We are quite sure that in localities where commodity economy is relatively more developed and where the cultural and scientific level of cadres and masses is relatively higher, the need for science and technology there is more urgent. For instance, in the coastal areas of southeast China, as well as in some interior regions where commodity economy has been relatively more developed, they are willing to pay great sums to buy technology or hire talented people; they have tasted the fruits of science and technology. But there are also cadres in many areas and departments not quite aware of this fact. I hope they become more farsighted; become more aware of the important role of science, technology, and management; attach importance to the vital role of knowledge and talented people; and take concrete action to fulfill this work well, for revitalizing the rural economy would otherwise be only empty words. Of course, the development of various localities in our country is very uneven and some localities do have difficulties in fostering or hiring talented people. But we must help them solve the problem.

Second, science and technology must serve the reform of rural production structure and revitalization of the rural economy.

In March last year, the central authorities issued a solemn call to the nation's 14 million scientific and technological personnel to mobilize the millions of cadres in science and technological circles in applying available scientific and technological achievements to economic construction. It is general orientation. I think that in responding to this call of the central authorities, our comrades in the scientific and technological circles should direct their full attention to the vast world in the countryside.

The "Spark Plan" proposed by the State Commission of Science and Technology has made a good start showing that the leading organs of scientific and technological work have extended their field of vision to the rural areas and shifted their attention to the task where demand for science and technology is the greatest and most urgent and where economic results are most promising. We have stressed daily that departments in charge of work in various fields and leading organs must strive to meet the needs of planned commodity production; they must "change course and form" in their operational guiding ideology and work method. But I think the "Spark Plan" precisely means a "change of course and form" or at least a good start. The central authorities have fully affirmed the "Spark Plan," and I hope everyone will do a good job and achieve concrete results in this plan. I hope the State Commission of Science and Technology; the China Association for Science and Technology; the State Commission of Science, Technology, and Science for National Defense; the research departments in the various ministries and commissions; and various universities and colleges will join forces and make contributions in revitalizing the rural economy. The county-level organizations must pay special attention to organizing and coordinating the work of popularizing science and technology.

The plan for introducing science and technology to the rural areas and spreading the "sparks" of science and technology across the country is proposed against a historical backdrop when rural reform has taken another step forward. There are currently two tides: the first is the need to transform science and technology, introduced to the rural areas, into a real productive force, and the second is the need to find new outlets for the enthusiasm of millions and millions of peasants bursting forth during the reform of the rural production structure. The converging of these two tides is bound to add splendor to the second step of the rural reform and bring about bright prospects.

Science and technology serve rural economy and social development. Our task remains arduous and pressing in this respect. Therefore, we must pay attention to the key issues and put in all our efforts. From now on, we should attach importance to the following three points for a fairly protracted period:

1. Efforts must be made in strengthening our scientific and technical measures in agriculture. The central authorities have already pointed out: During the Seventh 5-Year Plan period, China's grain output must move one step up from 800 billion jin and maintain the level of 800 jin per capita. This is an arduous task which must be fulfilled. Efforts must be made to increase material supplies. However, our reliance on this alone is not enough. We must also rely on science and technology, raise per-unit output, improve the varieties of grain crops, promote intensive farming in grain production with highly developed agrotechnology, encourage skilled peasants to carry out farming in fields sown for grain crops, and gradually realize modernization in agriculture. We also need science and technology to serve the diversified development of animal husbandry, aquatic production, fishery, and forestry. In accordance with the results of investigations for dividing farming zones in various counties, scientific and technical departments must be called upon to make contributions to establishing commodity base areas; promoting the development of diversified economy; improving varieties of fine crops; preparing fodder; preventing epidemic diseases and natural disaster; processing, storing, and transporting farm and sideline products; keeping food fresh; and rendering other services.

2. Efforts must be made to arm town and township enterprises with science and technology. China's towns and townships have witnessed tremendous developments over the past few years. By the end of 1985, more than 60 million people worked in the town and township enterprises throughout the country with their total annual production value reaching 230 billion yuan, which accounts for approximately half of the total product of society in the countryside. The rise of town and township enterprises has initiated the process of rural industrialization with Chinese characteristics. At the same time, it has also greatly promoted the development of the crop pattern. Our experience over the past few years proves that by making use of industrial developments to help agriculture, areas where town and township enterprises are well developed strengthen the foundation for agricultural modernization and enhance their capabilities in resisting natural disasters. The situation in Jilin last year is a good proof. Right now, as far as the whole nation is concerned, town and township enterprises still badly need technology and qualified people. Their productivity is still not high and problems exist on how to make good use of the environment and natural resources and improve economic results and social benefits. Developing town and township enterprises is the only way to rejuvenate China's rural economy. Those who work in the fields of science, technology, and education have the undeniable duty to arm town and township enterprises with science and technology and train technical and managerial personnel for such enterprises. If they can do this work well, they have really done good deeds.

3. Efforts must be made to help science and technology become an "accelerator" in changing the outlook in poverty-stricken and backward areas. Not long ago, I read a report: "Explore and Study the Jixi District of the Taihang Shan and Spread the Single Spark of Science and Technology Over the Mountainous Areas." The report said: Hebei Province has organized scientific and technical personnel to go deep into the Jixi District of the Taihang Shan and help develop the district with science and technology. It has brought about profound changes in a few years. The per capita income in 1982 was only 60 to 70 yuan. It increased to more than 300 yuan in 1985, 4 to 5 times more than the 1982 figure. The poverty-stricken mountainous area has become a well-to-do mountainous area. This example indicates that relying on science and technology to change the outlook of a backward district is much better than the measure of achieving the same goal through relief work alone. The Taihang Shan belong to an old liberated area. If the Taihang Shan are able to use science and technology to eliminate poverty within a short period, it will also be possible for other localities such as the Jinggang Shan, the Dabie Shan, and the Yimeng Shan to achieve the same goal by doing their work well in developing their areas with science and technology. All these localities are old liberated areas where people had made tremendous contributions to the revolution and rendered meritorious services. The party Central Committee is extremely concerned over these places. However, we must improve our measures in helping them. In the past we invested a great deal of money in pure relief work. We have not achieved much. From now on, we must change this measure. That is, we must provide help in science and technology, fully exploit local natural resources, take the path of promoting diversified economy and overall developments, and create new wealth for the whole society, and then turn such wealth into a commodity. In this way, we will be able to help the various localities gradually become richer. Therefore, in solving the issue of helping old, newly developed, remote and poverty-stricken areas to eliminate poverty and become well-to-do, we must also rely on policy and science. To make science and technology become an "accelerator" constitutes work of a creative nature at present. We must let the State Scientific and Technological Commission and the China Association for Science and Technology take the lead in organizing forces in all fields in implementing their measures by stages and in groups and carrying out such work conscientiously and meticulously.

Third, special attention must be paid to the question of training qualified personnel in rural areas.

In general, the areas and peasants which become more prosperous sooner than others have a salient feature; that is, they have succeeded because of their "intelligence" and do not merely rely on intensified physical labor. As regards those areas that are economically backward and are thus far unable to resolve their food and clothing problems, a very important factor other than natural conditions and other reasons for their present state is the acute shortage of qualified personnel. This is also the case with some poor households. Their educational level is generally lower than that of others. We may say that illiteracy and sheer ignorance of science are linked with backwardness and poverty. This is more apparent after the system of contracted responsibilities based on households with remuneration linked to output has been put into practice. In the days to come, our rural reform will develop in greather depth, and so the work of making a success of training qualified personnel and raising the level of scientific knowledge and general education of the vast numbers of grass-roots cadres and peasants will become even more prominent and important in the process of adjusting production structure and developing village and town commodity economy. Many of our grass-roots cadres in rural areas lack new knowledge and technical expertise. If we let them lead the broad masses of peasants in developing the rural socialist commodity economy and in achieving modernization, they are certain to meet with many practical difficulties. Despite an earnest desire to do so, their ability would fall short of their desire.

Development of the rural commodity economy requires qualified personnel, and emergence of large numbers of qualified personnel requires certain kinds of environment and conditions. Rural party committees and governments at all levels must pay close attention to science and education, attach importance to the work of training rural grass-roots cadres, and encourage the promotion of science and technology as well as general education in the countryside. It will be very hard to promote the building of the two civilizations in the countryside if we do not improve the level of scientific knowledge and general education of the grass-roots cadres and peasants. At present, there are more than 100 million senior and junior middle school graduates in the rural areas of the whole country. This is an enormous resource of qualified personnel. It is imperative to give full play to their role in the rural modernization program. We must see to it that through the popularization of science and technology and professional training, some of them become backbone scientific and technical workers and backbone managerial personnel in rural areas. Grass-roots cadres for townships, districts, towns, and enterprises must also be selected from among them.

During the Seventh 5-Year Plan period, if we popularize and apply the presently available scientific and technological achievements in the vast countryside, we will receive enormous economic and social benefits, let alone the numerous new discoveries and inventions that might appear during this period. Having undergone an intensive change through reform, rural areas are more capable of absorbing new technology with less restrictive and trammeling factors. This is a favorable condition at present for application and popularization of new technology in rural areas. However, the key to introducing technological achievements to rural areas and starting a prairie fire there with "a single spark" of science and technology lies in the availability of qualified personnel. Without large numbers of qualified personnel at various tiers and in various fields and thousands upon thousands of backbone peasant-technicians, a "single spark" would hardly ignite a fire in the vast countryside.

I hope that those in the scientific and technological circles and those working in the educational field will coordinate their efforts in training qualified personnel so as to work together in contributing to the development of the village and town economy. In addition to going personally to the countryside to organize the work of applying and popularizing new technology, there is another task of great importance that our comrades in the scientific and technological fields may undertake; that is to actively unfold the work of training qualified personnel in rural areas in coordination with the educational circles under the leadership and with the support of the local party committee and government.

In the past few years, this has been done and initial results have been achieved in many localities. In Shandong, Hebei, Anhui, Shanxi, and Heilongjiang Provinces, the associations for science and technology have cooperated with the departments concerned in training rural scientific and technical workers and conducted multiform technical training at various layers covering a number of disciplines among educated youths. This has enabled many people to learn and master practical technical skills, each in one or two fields, and to find new ways to develop their production work. Quite a few have become specialized households, and some have become technical experts. Facts have indicated that the abundant rural intelligent resources, once developed, will play an inestimable role in enlivening the rural economy and promoting the building of the socialist spiritual civilization in the countryside. Those in the scientific and technological circles and those working in the educational field can really do something in their work to train qualified rural personnel and to explore the treasure house of rural intelligence.

Our scientific and technical workers possess a high degree of sensibility and consciousness toward the call of our times. With this plus their spirit like that of the foolish old man and their careful planning, they are surely able to make giant strides in stepping up the work of using science and technology to support and develop the village and town economy. As long as the 800 million peasants have grasped modern science and technology and the modern way of production, a sound foundation will be laid for our rural socialist modernization, and our great objective will be realized step by step as expected.

ECONOMIC CRIMES DISCUSSED AT NPC COMMITTEE MEET

HK201030 Beijing ZHONGGUO XINWEN SHE in Chinese 1238 GMT 15 Jan 86

[Report: "He Ying Comments on Too Much Leniency in Handling Economic Crimes"]

[Text] Beijing, 15 Jan (ZHONGGUO XINWEN SHE) -- At a group meeting during the 14th Session of the Sixth NPC Standing Committee, Standing Committee member He Ying said that we achieved much last year in cracking down on serious criminal activities in the economic field. But crime still thrives in the economic field. It seems we have not been strict enough but have been too lenient and too generous in handling criminal cases of this kind. Economic crimes of a serious nature with evil consequences must be severely dealt with. This will not interfere with reform, openness, or the effort to enliven the economy.

He Ying said that in cracking down on criminal activities in the economic field, procuratorial and judicial organs must be resolved to smash various networks of special relations and protection, be bold in struggle, and strongly promote the practice of playing fair and having a clear conscience.

In the past 2 days, Standing Committee members have discussed reports given respectively by Zheng Tianxiang, president of the Supreme People's Court, and Yang Yichen, procurator-general of the Supreme People's Procuratorate, on cracking down on serious economic crimes.

Standing Committee member Liu Jingji held that enterprises, institutions, and party and government organs cause the greatest harm when involved in crime, and there should be regulations governing their punishment.

Standing Committee member Mei Yi suggested that important cases must be thoroughly investigated, dealt with seriously according to the law, and also made public.

Standing Committee member Hou Xueyu, a well-known ecologist, said that in order to do a good job in reform, we must crack down resolutely on serious criminal activities in the economic field and realistically solve the problem of "substituting fines for punishment" existing in the current crackdown. Procuratorial organs are not assured of funds for their overhead and are even short of money for handling cases. This is very abnormal. The State Council must give great attention to this matter.

Standing Committee member Zheng Boke asked: Is the law now too lenient by providing no capital punishment for swindlers? Should the matter be reconsidered?

Cai Liangchen, vice chairman of the Standing Committee of Fujian Provincial People's Congress, admitted that in cracking down on criminal activities in the economic field, we must emphasize important cases, which are serious, involve large sums, cause great harm, have great repercussions, and can play a substantial role in educating people. He said that Fujian Province had on file 183 important cases under investigation last year, which accounted for 38.6 percent of the cases of economic crime being investigated; this showed an increase of 90.6 percent over the preceding year. The settlement of these important cases resulted in 150 million yuan recovered as stolen money and 8.26 million yuan recouped as economic losses. This was warmly hailed by the masses of cadres and people.

CRIMINAL CHARGES CAUSE DISMISSAL OF NPC DEPUTIES

HK220459 Beijing CHINA DAILY in English 22 Jan 86 p 3

[Text] Three deputies to the National People's Congress have been dismissed after criminal charges were brought against them, LEGAL NEWS reports.

The newspaper said that it had learned from the 14th meeting of the Standing Committee of the National People's Congress (NPC), which ended yesterday, that the three deputies, Zhu Pingchou of Jiangsu Province, Huang Hantao of Hubei Province, and Li Nengyong of Guizhou Province, had been recalled for using their power to profiteer, harassing women and violating state policies.

Zhu was reported to have harassed several women by using his power for protection. Huang took advantage of his affiliation with NPC to profiteer by re-selling autos and steel. He gained an illegal profit of 12,000 yuan ($3,600). Li was reported only as having violated State policies.

The paper said the dismissals of the three deputies were approved by the people congresses of the three provinces upon proposals of recall made by voters.

The exclusive report said that a very bad influence was cast among the local people by the three deputies and their dismissals were in accordance with the country's constitution, which ensures the right of recall for the voters.

Participants at the 14th meeting of the NPC Standing Committee discussed various issues with special attention to the need to crack down on economic crimes. A deputy from Beijing said cases of splitting illegal profits by collectives and asking for illegal commissions are very hard to deal with. Another deputy urged the government to look into the fundamental reason for big economic scandals. He asked how there could be a single black market deal in the exchange of hard currency amounting to several million yuan. Many deputies said the crackdown on economic crimes has not been effective enough to curb the unhealthy trend, the paper said.

FOREIGN TRADE TOPS $59.2 BILLION IN 1985

OW221101 Beijing XINHUA in English 1039 GMT 22 Jan 86

[Text] Beijing, January 22 (XINHUA) -- China's imports and exports totaled 59.2 billion U.S. dollars in 1985, an increase of 19 percent over 1984 and of 56.6 percent over 1980, a government official said today.

Huang Wenjun, a spokesman for the Ministry of Foreign Economic Relations and Trade, said preliminary figures showed imports and exports for the Sixth Five-Year Plan period (1981-85) totaled 229.37 billion dollars, doubling the foreign trade of the previous five years.

Imports last year climbed substantially -- 31.8 percent over 1984 -- to 33.4 billion dollars, while exports grew 5.7 percent to 25.8 billion dollars. Over the last five years, China imported 114.25 billion dollars in goods, slightly less than its 115.12 billion dollars in exports.

Huang attributed the increase in China's trade to government policies begun in 1979: opening to the outside world, invigorating the domestic economy and streamlining the system of foreign trade. As a result, he said, China's exports did not decline during the world economic recession and international trade drop of the early 1980s -- and in fact continued to increase.

During the Sixth Five-Year Plan period, China was able to cut its imports of major agricultural products such as grain, cotton, fats and cooking oils which it had long imported in large quantities. At the same time, imports needed to develop industrial and agricultural production greatly increased.

For instance, compared with the Fifth Five-Year Plan period (1976-80), imports of rolled steel rose 48.6 percent, raw chemical materials 150 percent, timber 640 percent, and chemical fertilizer 82.4 percent. Imports of advanced technology rose 60 percent. At the same time, in order to meet growing consumer demand and spur domestic markets, imports of pharmaceuticals, household electrical appliances and sugar rose substantially over the last five years.

Goals for 1986-90 Set

OW221735 Beijing XINHUA in English 1618 GMT 22 Jan 86

[Text] Beijing, January 22 (XINHUA) -- China will strive to reduce its trade deficit with foreign countries and imports and exports during the Seventh Five-Year Plan period (1986-90), a spokesman for the Ministry of Foreign Economic Relations and Trade said at a news briefing here today.

The spokesman, Huang Wenjun, said it is necessary for all sides to make efforts in resolving the trade imbalance. On the one hand, China must improve the quality of its exports and provide more marketable goods. On the other, its major trade partners should take an active attitude to remove trade obstacles and expand imports from China. It would be difficult for China to keep its trade relations with such countries if t deficits were unchecked and expanded continuously, he added. He said China will import more commodities only after exporting more goods. This will be beneficial to both sides, he noted.

China's imports came to 33.41 billion U.S. dollars and exports, to 25.8 billion U.S. dollars in 1985, for a total trade deficit of 7.61 billion U.S. dollars.

Huang Wenjun said the total volume of China's trade with Japan amounted to 16.57 billion U.S. dollars in 1985, up by 30.2 percent over 1984. Of this, imports came to 10.47 billion U.S. dollars, and exports to 6.1 billion U.S. dollars; and with the United States, 6.42 billion U.S. dollars, up by 7.6 percent, of which imports came to 4.23 billion U.S. dollars, and exports, to 2.19 billion U.S. dollars. He also listed the trade figures with other nations -- with the Soviet Union, 1.9 billion U.S. dollars, up by 61 percent over 1984, of which imports came to 940 million U.S. dollars, and exports, to 960 million U.S. dollars; with Hong Kong region, 9.6 billion U.S. dollars, up by 7.2 percent, of which imports came to 4.35 billion U.S. dollars, and exports, to 5.25 billion U.S. dollars; with the European Economic Community, 6.9 billion U.S. dollars, up by 24.5 percent, of which imports were 4.97 billion U.S. dollars, and exports, 1.93 billion U.S. dollars. Huang Wenjun said China maintained trade relations with more than 170 countries and regions during the Sixth Five-Year Plan period (1981-85).

He said China will change the composition of its export commodities so as to reduce the trade deficit. It will export more finished goods instead of raw materials and primary products, and export more processed products. China will also increase exports of oil, coal, nonferrous metals, textiles, light industrial products and foodstuffs. China will also change the composition of import commodities, Huang said. The stress will be put on the import of software and key technological equipment.

Huang Wenjun stressed that China will control the imports of the commodities that it can produce. At present, restrictions have been put on the imports of commodities including color television sets, refrigerators, radio-cassettes, motor vehicles, foodstuffs, vegetables, cigarettes and alcoholic drinks.

HU YAOBANG, OTHERS SPEAK TO NUCLEAR SPECIALISTS

OW220243 Beijing XINHUA Domestic Service in Chinese 1456 GMT 21 Jan 86

[By reporters Li Shangzhi and Yu Jiafu]

[Text] Beijing, 21 Jan (XINHUA) -- Party and state leaders Hu Yaobang, Fang Yi, Li Peng, Yang Shangkun, and Hao Jianxiu gladly came to the rear wing of the Huairen Hall in Zhongnanhai this afternoon and warmly shook hands with and extended their regards to 10 specialists who had contributed to the development of our country's nuclear industry. They had a discussion with nuclear specialists on the peaceful uses of nuclear energy in our country and asked the latter to give their regards to the workers and staff members in nuclear industry.

The leading comrades first had a group picture taken with the nuclear specialists. Hu Yaobang and Yang Shangkun shook Jiang Shengji and Wang Ganchang's hands and said: "Old comrades sit in the front row." When these two old specialists set among leading comrades, Li Peng and Hao Jianxiu still asked specialists Liu Xingzhong, Min Yaozhong, Huang Qitao, Yu Min, Lian Peisheng, Qian Gaoyun, Lu Dexian, and Sun Zuxun to sit in the front row. One of the specialists said: "Our revered Comrades Jiang and Wang represent us." Pictures were taken of them chatting and laughing.

During the discussion, central leaders fully affirmed the achievements made by the workers and staff members of the Ministry of Nuclear Industry in developing our country's nuclear industry. General Secretary Hu Yaobang said excitedly: Comrades in nuclear industry have made valuable contributions to the party, the state, and the people. Through their efforts, our country has successfully developed nuclear weapons and strengthened its defense capability.

Now our country has built a relatively integrated nuclear-industrial system and trained a contingent of qualified nuclear technicians. This is a tremendous achievement. The party Central Committee, State Council, Central Military Commission, and people throughout the country will never forget their historic and brilliant contributions. Hu Yaobang expressed his hope that personnel of the Ministry of Nuclear Industry will become skilled specialists, undertake a variety of projects, vigorously support civilian industries, and make fresh contributions to the development of civilian industries and socialist economic construction.

Comrade Li Peng said: Workers and staff members in our nuclear industry have built a relatively integrated system of nuclear industry through their own efforts over the past 30 years and more. The quality of our contingent of nuclear workers is good indeed. Although our nuclear technology is not quite advanced, there are not many countries in the world with a system comparable to ours.

Li Peng said: In promoting the drive for modernization in our country, our nuclear industry is confronted with the task of how to make peaceful use of nuclear energy in a better and more extensive way. The peaceful use of nuclear energy is our country's basic policy for the development of nuclear industry. There are broad prospects for nuclear industry in this regard, and the nuclear industry has great potential for civilian use. To help other industries, the nuclear industry should focus, among other things, on nuclear electricity generation. Although we have difficulty with nuclear electricity generation, we have already made some initial progress. In this regard, we should rely mainly on our own efforts while importing advanced technology from abroad.

Comrade Fang Yi said: We should maintain a contingent of research in nuclear industry and reinforce the study of peaceful uses of nuclear energy. Scientists and technicians of nuclear industry departments should establish contacts with universities and localities in order to ensure that their future will be bright.

Comrade Yang Shangkun and Hao Jianxiu spoke at the discussion. They confirmed the progress made on the nuclear industry front and expressed the hope that workers and staff members would make fresh contributions to the peaceful use of nuclear energy.

During the animated discussion, 10 nuclear specialists expressed many opinions and made a number of suggestions.

Present at the discussion were Jiang Xinxiong, minister of nuclear industry; Chen Zhaobo, vice minister of nuclear industry; Ding Henggao, minister in charge of the National Defense Science, Technology, and Industry Commission; Wu Shaozu, political commissar of the same commission; and Zhu Guangya, chairman of the Science and Technology Committee under the National Defense Science, Technology, Industry Commission.

HU YAOBANG, WAN LI WIN IN BRIDGE CONTEST

OW130742 Beijing XINHUA in English 0650 GMT 13 Jan 86

[Text] Beijing, January 13 (XINHUA) -- General Secretary Hu Yaobang of the Chinese Communist Party and Vice-Premier Wan Li spent their leisure time in Wenjin Street Sports Club here Sunday, winning a bridge contest for veteran cadres, Chinese sports newspaper TIYUBAO reported today. The tournament, named "Strategies and Health", drew a total of 16 teams, including some retired party and government leaders. In the team-of-four competition, Hu partnered with Nie Weiping, a "Go" chess master, while Wan Li sided with Rong Ledi, 34, from the China Sports Service Company. The team ranked first with 72 victory points in group preliminaries and further won the title on 58 victory points in the four-team finals.

HU QILI STRESSES IDEOLOGICAL, POLITICAL WORK

OW221124 Beijing XINHUA Domestic Service in Chinese 0957 GMT 21 Jan 86

[Text] Beijing, 21 Jan (XINHUA) -- Speaking at a recent meeting attended by students majoring in ideological and political education, as well as other relevant cadres of the Department of Social Sciences of the Beijing Iron and Steel Engineering Institute, Hu Qili, member of the Political Bureau and Secretariat of the CPC Central Committee, stated that ideological and political workers of the new generation must, first of all, be dedicated personnel who have the ambition to build a more vigorous and stronger China and are good at analyzing and solving problems from a Marxist position and with a Marxist viewpoint and method. At the same time, they must be proficient in the work of their own department and field.

The students graduated from college before enrolling in the speciality of ideological and political education. They have come from Beijing Iron and Steel Engineering Institute, Beijing Agricultural University, Beijing Chemical Fiber Engineering College, Heilongjiang Mining Institute, Anshan Iron and Steel Engineering Institute, and Maanshan Iron and Steel Engineering Institute. Should they pass the test after 2 years of study, they will acquire their second bachelor's degree.

Hu Qili spoke highly of the engineering colleges for sponsoring departments of social sciences and praised the students for their determination to study Marxism-Leninism and do ideological and political work after graduating from colleges of science and engineering. He said: Our cause has a great need for people who are knowledgeable in both political and professional work. The reason why Yuan Weimin could lead the women's volleyball team in winning games was because he was not only knowledgeable in his special field but was also socialist-minded in knowing how to do political and ideological work. He could not have won the ball games if he did not have a perfect mastery of volleyball skills and only knew how to read quotations after losing a ball game. Conversely, he could not have done his job well if he only knew volleyball skills and not Marxism-Leninism and ideological and political work. Ideological and political work is a very difficult job. This is because the human brain is a most complicated machine. In order to be a good party committee secretary, not only must one be familiar with its work, he must also understand people and society and have a firm conviction in communism. This cannot be learned from books alone. Attending college is just a beginning; being tempered in society is even more important.

Hu Qili pointed out: A college's ideological and political education must, first of all, emphasize study of basic Marxist tenets, without which there will be no theoretical basis. Modern and contemporary Chinese history should also be studied, otherwise one will be in the dark about Chinese history and the national situation. Second, the party's principles and policies, especially those about reform, should also be part of the curriculum. China is currently engaged in restructuring its economic system and in the process of a new Long March. This is a great project involving the fate of nearly one-fourth of humanity. The whole series of important documents, which the party Central Committee has drawn up since the 3d Plenary Session of the 11th CPC Central Committee to deal with basic political, economic, social, and cultural issues, is a new addition to the treasure house of Marxist theories, and it should be studied earnestly. China will have contributed significantly to Marxism-Leninism if its reforms are accomplished successfully. Third, we should understand the various ideological trends in society by analyzing and studying them and, by making comparisons, improve our ability to differentiate among them. Fourth, we must attach importance to conducting social investigation, which can be carried out in Beijing and its suburbs and not necessarily in faraway places. Conducting investigation during holidays is even better.

WAN LI, LI PENG SPEAK ON MAYORS' WORK, ROLES

OW191445 Beijing XINHUA Domestic Service in Chinese 1715 GMT 18 Jan 86

[By reporter Ge Daxing]

[Text] Beijing, 18 Jan (XINHUA) -- In the past 2 years, 256 leading cadres of cities from all parts of China have attended the mayors' research class to study and discuss ways to organize and guide city planning, construction, and management and learned theory and scientific knowledge. Wan Li and Li Peng, vice premiers of the State Council, met today with students of the fourth research class, issued graduation certificates to them, and had discussion with them and responsible persons of departments concerned.

Wan Li said: City planning, city construction, and city management are a comprehensive subject. It includes knowledge of both natural science and social science. Mayors should study hard and constantly raise their leadership and management ability. He hoped that the mayors' research class will be held continuously and continue improving.

Wan Li said: In order to modernize the cities, an important thing is to strengthen the building of basic facilities. Our economic development centers on cities. If we do not do a good job in building basic facilities for cities, production, work, and people's lives will all be adversely affected. Many cities in our country have inadequate supply of water, electric power, gas, and heat. We must do our best to improve basic facilities for cities. At the same time, we should vigorously develop tertiary industry in cities. Enterprises, government organizations, and society should all make contributions to building cities for the people. As socialist mayors exist for serving the people, they should do more practical things in promoting building of material and spiritual civilization in cities.

Li Peng pointed out: The main tasks of mayors and city governments are to do a good job in planning, building, and managing cities. They should also proceed from reality and do a good job in environmental protection. At present, a popular situation prevails in which "plant managers are running the society." This situation should be corrected gradually. Various cities should increasingly care for things in the life of staff members and workers of new enterprises. City governments must not interfere too much in the internal affairs of enterprises. They should do their best to create favorable conditions for the development of production and to coordinate the work of various sides.

LI PENG NOTES METALLURGICAL PRODUCTION NEEDS

OW230543 Beijing XINHUA Domestic Service in Chinese 1503 GMT 22 Jan 86

[By reporter Wu Jincai]

[Text] Beijing, 22 Jan (XINHUA) -- Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, called on the 3 million staff and workers in the metallurgical industry throughout the country to strive to fulfill the goal of 50 million metric tons of steel output this year.

In a speech to representatives at a national conference on metallurgy, Li Peng said: The metallurgical industry has scored remarkable achievements during the Sixth 5-Year Plan, increasing steel output by nearly 10 million metric tons, as well as raising economic efficiency. However, the industry remains a weak link in the national economy, and still falls far short of the needs of national economic development. Therefore, it is necessary to vigorously develop China's iron and steel industry.

Calling for the attainment of this year's target of 50 million metric tons of steel and increasing the steel output by a large margin during the Seventh 5-Year Plan, Li Peng pointed out: In order to achieve this target, the metallurgical industry should further tap its potential by carrying out technological transformation, supplying complete sets of equipment, and expanding existing enterprises. He emphasized: In developing the metallurgical industry, it is imperative to rely on more updated technology. The improvement in China's computer technology, in particular, has created conditions for automation in the industry. Judging from the practical experience of the Baoshan Iron and Steel Complex and the Capital Iron and Steel Company, this is an important way to conserve energy and lower material consumption.

Turning to the question of ore mines, Li Peng said: Large state-owned ore mines should be the main resources bases of the iron and steel industry. At the same time, it is necessary to encourage the masses to develop ore mining, thereby promoting the industry with large, medium-sized, and small ore mines simultaneously. It is also necessary to study practical plans for further harnessing the production enthusiasum of staff and workers of large mines, stimulate the development of small mines, and introduce measures for "mining by the masses, collection at fixed points, centralized selection, and smelting by the state." Li Peng added: It is a long-term policy for the iron and steel industry to utilize both domestic and foreign resources.

In conclusion, Li Peng called on the metallurgical industry to pay close attention to building spiritual civilization among its staff and workers, and improve the quality of the workers and cadres in order to secure a reliable guarantee for developing the industry.

QIAO SHI ADDRESSES POLICE PARTY MEETING

OW220343 Beijing Domestic Service in Mandarin 2230 GMT 19 Jan 86

[Text] Comrade Qiao Shi, member of the CPC Central Committee Political Bureau and Secretariat and secretary of the Central Political and Legal Commission, yesterday afternoon pointed out at a work meeting of the party committee of the People's Armed Police Force headquarters: The People's Armed Police Force, an important armed force of the party and the state, is charged with important tasks in protecting state property and the property and lives of the people, and maintaining public order. To accomplish such important tasks, the armed police force must improve its party work style. The members of the leading body of the headquarters party committee should start rectifying their party work style immediately and set an example in this regard. Comrade Qiao Shi said: The party Central Committee is firmly determined to rectify party work style. Only by effectively improving this will the party committee of the armed police force headquarters be able to lead armed police units throughout the country in successfully accomplishing important tasks entrusted to them by the party and the people.

In his speech, Comrade Qiao Shi also called for running the armed police force strictly upholding and enforcing the letter of the law, and assiduously studying Marxism-Leninism-Mao Zedong Thought, party principles and policies, and knowledge of law in the course of rectifying party work style, in order to effect a fundamental turn for the better in party work style of the armed police force this year.

HU QIAOMU SPEAKS AT LANGUAGE CONFERENCE CLOSE

OW131156 Beijing XINHUA in English 1124 GMT 13 Jan 86

[Text] Beijing, January 13 (XINHUA) -- Standard Chinese written and spoken language and phonetic alphabets (Pinyin) that have been used since the 1950s will be further promoted and consolidated.

Hu Qiaomu, member of the Political Bureau of the Chinese Communist Party Central Committee, believes this will serve to lay a good foundation for a big leap in the development process of the Chinese language in the future. Hu was speaking to language workers from across the country at today's closing ceremony of a national conference.

He explained that language, as a product of history, is due to progress gradually and in accordance with the need of history. It is true that the Chinese language has undergone a rapid development since the 1950s, but this was based on centuries of deliberations among the Chinese people and the endeavour of language workers, he said. "People can't expect such a historical change every day, or they would fail to maintain their achievements," Hu added.

China began language reforms in the mid-1950s, including simplifying 2,300 Chinese characters, popularizing a standard spoken language and creating a phonetic alphabet. Many people even suggested that Pinyin be used as a Chinese written language. While encouraging the suggestion, Hu also pointed out that this is a very complicated issue and painstaking efforts in language research, teaching and practice would be needed before a correct step forward could be possibly made. To simplify compiling dictionaries, encyclopedia and for writing computer programs to process Chinese characters, the State Commission on Language Planning will put a ban on more than 100 simplified Chinese characters made public in 1977. Effective measures will also be taken to stop wrongly used Chinese characters, said the officials from the commission.

TIAN JIYUN, CHEN MUHUA GREET CUSTOMS WORKERS

OW220905 Beijing XINHUA Domestic Service in Chinese 1443 GMT 21 Jan 86

[By reporter Tian Chuan]

[Text] Beijing, 21 Jan (XINHUA) -- Forty-three advanced representatives selected from among 16,000 customs clerks working at the gates of the motherland won the honorable title of "advanced customs worker of the nation." They received red-color certificates to this effect at the Great Hall of the People today.

Among those attending today's commendation meeting were Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council; Chen Muhua, alternate member of the Political Bureau of the CPC Central Committee and state councillor; and Zheng Tuobin, minister of foreign economic relations and trade. They presented certificates to the advanced customs workers and banners to 20 advanced collectives which had honorably earned the title of "advanced customs collective of the nation."

Among the advanced collectives and individuals, some had distinguished themselves on many occasions by braving rough seas in carrying out unremitting struggle against smugglers and dealers of smuggled goods. Others had worked for long periods of time at customs posts on the border of the motherland hit regularly by snowstorms and bitterly cold weather. Still others had been praised by people at home and by others coming from abroad for their enthusiastic service. They all presented a lofty image of the people's customs service.

In an address at the meeting, Vice Premier Tian Jiyun warmly praised the outstanding achievements made by these advanced collectives and individuals for the sake of the motherland despite difficult working conditions. He hoped that in the new year they would perform new meritorious deeds in customs reform, in actually "doing conscientious customs work and rendering good service," and in the struggle for fundamental improvement of party style.

ARMY PAPER OPPOSES PRIVILEGES FOR CADRE CHILDREN

OW152349 Beijing Domestic Service in Mandarin 2315 GMT 13 Jan 86

[Text] JIEFANGJUN BAO on 24 December 1985 published an article entitled "Do Not Let Your Children Become Special Personages," written by Wen Xueliang. It says:

Today, many people complain about improper party conduct. They have expressed dissatisfaction over certain cadres who have let their children become special personages. Therefore, the mistakes certain leading cadres have committed in educating their children are not only questions concerning family conduct; they are also questions concerning party conduct. Thus, improving party conduct certainly includes the need to correct certain leading cadres' unhealthy practice of abusing their authority and letting their children become special personages. I believe that to prevent and combat the unhealthy practices of making cadres' children special personages we must do two things:

First of all, the cadres themselves should not spoil their childrer and treat them as if they are their private property. Instead, they should nurture their children in such a way that they will become successors of the revolutionary cause.

Second, people should not fawn on or flatter the children of cadres, nor should they give the cadres' children any special consideration.

If we can do these two things together, it will not be easy for someone to become a special personage.

XINHUA EMPHASIZES LIGHTENED BURDEN FOR PEASANTS

OW230515 Beijing XINHUA Domestic Service in Chinese 0802 GMT 17 Jan 86

[XINHUA commentator article: "The Work of Lightening the Burden on Peasants Must Not Be Done Perfunctorily"]

[Text] Beijing, 17 Jan (XINHUA) -- The CPC Central Committee and the State Council issued a "Circular Prohibiting the Indiscriminate Imposition of Quotas on Peasants and Collection of Fees from Them" nearly 3 months ago. Acting according to the requirements of the circular, most departments and localities have since thoroughly investigated such cases and taken effective measures in canceling a number of unreasonable quotas. Thus, excessive burdens on peasants have been lightened. This is the way to solve problems for the peasants, which gives expression to our party's fine tradition of being concerned about the weal and woe of the masses. That is why peasants have made favorable comments on it.

It should be pointed out, however, that some departments and localities have yet to take action in this respect. It seems as if they have only paid lip service to lightening the burden on peasants or turned this into a mere formality. This is a danger signal, and we must not let it go.

Why have those localities and departments failed to firmly act according to the arrangements made by the party Central Committee and the State Council? Why are they so irresponsible? Some comrades say they have not taken action in this regard because they have been too busy with their work. It may be true they have been busy, but it is wrong to say they have not had time to take care of this matter. No matter how busy localities and departments are with their work, they just cannot shift their responsibility to others or perfunctorily handle such an important matter as lightening the burden on peasants, a matter which has a bearing on the relationship between the party and the masses, between the cadres and the masses, and between the workers and the peasants, and on the development of rural reform and the rural economy.

No one should take an indifferent attitude to this matter, nor should one fail to concern oneself with it or grasp it.

Some comrades hold that quotas are now imposed on peasants for the purpose of doing something good for them, and that not a single imposed quota can be dispensed with. It should be realized, however, that when we do something good for peasants, we should do so according to their capabilities; this is a principle we must follow. If the burden on peasants is beyond their capabilities, the good things that are to be done for them may well harm their interests. In that case, the reasonable would become unreasonable. Therefore, inquiries should be made into doing good for peasants, and cases should be handled according to individual merit. Some should be maintained, and others canceled or reduced in scale.

Some localities have delayed lightening the burden on peasants because they are afraid of difficulties; they are afraid it is a complicated task, involving many departments and contradictions. Precisely because it is a difficult task, it is all the more necessary for leaders to firmly devote their energies to carrying it out. As long as leaders are firmly determined to lighten the burden on peasants and rely on the masses for suggestions, they can remove the obstacles in various quarters and find a way to solve this problem. Take Heilongjiang Province, for example. Earlier, in this province, the responsible persons of 26 departments and bureaus met at a working session convened by the governor. At that meeting, they each enumerated the quotas imposed by their respective departments on the peasants, and such quotas were collectively and individually checked. Then, measures to retain or cancel such quotas were taken at the meeting. Moreover, these measures were made known to the whole province by circulating a notice, and arrangements were made for government organizations to enact the measures in various parts of the province. This has made it possible for the masses to supervise the implementation of such measures. Heilongjiang Province has set a good example in meeting difficulties head-on and achieving good results in lightening the burden on peasants.

The party Central Committee and the State Council have raised the question of lightening the burden on the peasants every year over the past several years. In Document No 1, issued in each of the past 3 years, principles and measures were laid down in this regard every year. In addition, the "Circular Prohibiting the Indiscriminate Imposition of Quotas on Peasants and Collection of Fees from Them" was especially issued last October. There are orders and bans to follow in this regard, and we must follow them. It is hoped that, in localities where the problem of the excessive burden on the peasants has not yet been solved, leaders have a sense of urgency and take prompt action in meeting the peasants' needs and in solving this problem for them.

RENMIN RIBAO CRITICIZES DISCIPLINE PROCRASTINATION

HK230210 Beijing RENMIN RIBAO in Chinese 17 Jan 86 p 5

[Article by Zhang Lizhou: "The Soft Tactic of Procrastination and the Hard Tactic of Contradiction"]

[Text] The saying that "the top has policies and the bottom has countermeasures" is a manifestation which shows that some cadres refuse to carry out the policies of the CPC Central Committee. No matter what countermeasures they adopt, there are only two kinds of countermeasures: One is the hard tactic of contradiction and the other is the soft tactic of procrastination. In recent years, the hard tactic of contradiction has become ineffective, because some cases of contradiction have been checked and those involved in the cases have been dealt with as a result of the intervention of the leading comrades of the CPC Central Committee. However, procrastination has not been paid attention to or, at least, not many cases of procrastination have been seriously dealt with.

In fact, the damage caused by procrastination is no less than that caused by contradiction. The cadres and masses do not have less hatred or dislike for procrastination than they have for contradiction. It seems that the trend of procrastination must be checked because procrastination is one of the malpractices giving shelter to other malpractices.

The trend of procrastination can also be seen in the process of implementing policies and carrying out reform. The trend of procrastination can particularly be seen in the examination of cases of violating discipline and in the straightening out of malpractices. In examining and exposing the cases of cadres violating the law and discipline, some areas were "too cautious" and procrastinated for a long time from beginning to end. Some areas procrastinated even for months or years without reaching any conclusions in the end. The responsible cadres and departments give many excuses for this: Some say that the cases are generally clear, but the details of the cases still need to be further investigated and examined; some say that although someone has made mistakes on a certain question, he has also done good things in the past, so he should not be punished without careful consideration; some say that although the cases should be dealt with, they should be dealt with cautiously because the cases concern a certain leading cadre; some think that the cases can be wound up, but they should not be dealt with immediately because the people involved in the cases are in poor health and are not in a good mood at the moment. There was repeated procrastination in some cases under the pretext of giving the "cold treatment." None of these excuses is convincing. The prerequisite for dealing with the cases is to investigate the facts and decide the nature of the cases. The key to dealing with the cases lies in properly handling the cases according to law and discipline, the nature and gravity of the cases, and the attitude of the people who are involved in the cases. We certainly oppose dealing with cadres without any specific evidence and without careful consideration. We oppose negating cadres because they have made a single mistake. However, we must remember: The law must be observed, enforcement must be strict, and law-breakers must be dealt with. And everyone must be equal before the law and party discipline with no exceptions.

The soft tactic of procrastination and the hard tactic of contradiction, though different in form, aim at the same thing and produce the same results -- refusal to carry out party policies, refusal to deal with malpractices, and sheltering those who violate the law and discipline. So, the soft tactic of procrastination can be said to be the soft tactic of contradiction or to be another form of the hard tactic of contradiction. However, under most circumstances, the former is "wiser," more ingenious, and more effective than the latter. This is the only difference between the soft and hard tactics. This is because applying the hard tactic of contradiction means running a risk, because if someone reports the case to the higher authorities and the higher authorities give instructions, he who violates discipline will naturally be dealt with and he who shields him will also be blamed. However, those who apply the soft tactic of procrastination are always safe and do not need to run a risk, and sometimes, can even give people an impression of "doing detailed and careful work." Even when the higher authorities investigate the case, they will only be blamed for "doing things too slowly," and will not be blamed for making serious mistakes. At present, on some issues, people cannot contradict the instructions of the higher authorities, but can procrastinate successfully. Can this be said to be a good example?

Some cadres prefer to use the soft tactic of procrastination rather than the hard tactic of contradiction in dealing with the party policies; there are loopholes in our party and leading organs of which they can avail themselves. Although the CPC Central Committee is determined to straighten out the malpractices and is strict and impartial in implementing the law and party discipline, and has been repeatedly trying to solve some problems, while implementing the party policies, some areas have always had serious problems, such as "there are assignments but no examinations," "there is much said but little done," and "there is a fine start but a poor finish."

When straightening out some malpractices, some areas were resolute and serious at the beginning, but as time went on, their work became relaxed, and their "temperature" dropped, and finally they became unaware of the malpractices. This situation has provided loopholes for some people, because those people think that if they can apply the tactic of procrastination until the trend is over, they will be safe. For instance, in the party rectification, some areas took the issue of some cadres occupying more residential area than they were entitled to as a "breach," and asked the masses to give their views on the issue; the cadres concerned also made self-criticisms. But when the party rectification was over, the issue was no longer mentioned, and the cadres still occupied the same amount of residential area. Since these kinds of people can benefit from the soft tactic of procrastination, other people will most likely learn from them. So we must resolutely straighten out malpractices and carry on the struggle through to the end so that those people will be unable to apply either the soft tactic of procrastination or the hard tactic of contradiction. This is the key to the fundamental improvement of our party style.

In order to strictly and impartially enforce law and discipline and crack down on malpractices, we must "paint a picture with two brushes at the same time: "We must not only dare to "defeat the hard tactic of contradiction" but also dare to "defeat the soft tactic of procrastination." We must seriously deal with not only those who disregard the law and discipline, stick to their old way of doing things, and openly contradict the policies of the CPC Central Committee but also those who overtly agree but covertly oppose or privately procrastinate to implement the policies of the CPC Central Committee. At present, we should clear up those old cases which are serious and for which we have had conclusive evidence, and strictly deal with the people involved in those cases so as to make people understand that our party organizations at various levels are powerful enough to deal with those who practice either the hard tactic of contradiction or the soft tactic of procrastination will find their chances significantly reduced.

PLA DEPARTMENT PROMOTES SPIRITUAL CIVILIZATION

OW161055 Beijing XINHUA Domestic Service in Chinese 1458 GMT 14 Jan 86

[Text] Beijing, 14 Jan (XINHUA) -- The PLA General Staff Department made use of typical advanced examples to educate cadres and fighters, thus playing a significant role in improving party style and strengthening socialist spiritual civilization.

During the past year the department has vigorously strengthened socialist spiritual civilization and carried out extensive education on fostering lofty ideals, high moral standards and education, and a sense of discipline, thus effecting profound changes in the mental outlook of cadres and fighters in all units under its command. As a result, more than 110 advanced collectives and individuals in promoting spiritual civilization have emerged.

In December last year it organized 32 representatives from all fields of endeavor into 6 groups to report on advanced deeds in fostering lofty ideals, high moral standards and education , and a sense of discipline. They toured some 180 units under the command of the General Staff Department in north, east, south, northeast, southwest, and central-south China. They presented reports on more than 170 occasions with a combined audience of 140,000 people, winning wide acclaim from cadres, fighters, and comrades. After various tours, which lasted about 1 month, the reporting groups presented their final reports to various organs of the General Staff Department.

Making reports at the meetings were Yang Zailin, a student of the PLA Engineering School, who had been awarded the title of "land mine defusing hero" by the Central Military Commission for deactivating more than 30 land mines in the battle of self-defense against Vietnamese aggression; Ma Zhixian, a hospital nurse who cared for people while ignoring her own family for the sake of national defense; Liu Zhenxiang, a retired cadre who took the overall interest into consideration and stressed the importance of party spirit in streamlining and reorganizing the Army; and Liu Zhenpei, a staff cadre of the Institute of Topography, who worked hard in carrying out topographic work and scored outstanding achievements in doing scientific research. Their advanced deeds greatly educated the cadres and fighters.

Han Huaizhi, assistant to the chief of staff, made a speech at a meeting today. He said: To improve party style, we must help party members and cadres improve their world outlook and their outlook on life and educate them to foster lofty ideas and a sense of discipline. The leading comrades at all levels must be good at discovering, fostering, and cherishing typical advanced examples, and at making good use of such examples in educating fighters and cadres. By popularizing the typical advanced examples, we will be able to further develop the flourishing situation.

LEADERS PAY LAST RESPECTS TO ZHANG WENZHOU

OW111351 Beijing XINHUA Domestic Service in Chinese 1440 GMT 10 Jan 86

[Excerpt] Beijing, 10 Jan (XINHUA) -- Comrade Zhang Wenzhou, deputy commander of the former Armored Corps and member of the Standing Committee of the National CPPCC Committee, died of illness in Beijing on 2 January at the age of 74. A ceremony to pay last respects to his remains was held at the hall of Babaoshan Cemetery for Fallen Revolutionaries today.

Wreaths were sent by Comrades Deng Yingchao, Nie Rongzhen, Xi Zhongxun, Qiao Shi, Yang Shangkun, Yang Dezhi, Yu Qiuli, Qin Jiwei, Chen Muhua, Wang Zhen, Wang Ping, Li Desheng, Cheng Zihua, Zhang Aiping, Hong Xuezhi, Yang Chengwu, Chen Zaidao, Burhan, Zhao Fuchu, and Ma Wenrui, as well as the Central Military Commission, the National CPPCC Committee, the General Staff Department, the General Political Department, the General Logistics Department, the Shanxi Provincial CPC Committee, the provincial government, and other units.

Xi Zhongxun, Yang Dezhi, Wang Zhen, Wang Ping, Li Desheng, Liao Hansheng, Hong Xuezhi, Yang Jingren, Yang Chengwu, Ma Wenrui, and others, totaling more than 600 people, attended the ceremony.

DEAD COMRADE MOURNED IN BEIJING 18 JANUARY

OW200307 Beijing XINHUA Domestic Service in Chinese 1657 GMT 18 Jan 86

[Text] Beijing, 18 Jan (XINHUA) -- A ceremony to pay last respects to the remains of Comrade Yuan Renyuan, an outstanding member of the CPC and long-tested loyal communist fighter, was held at the auditorium of the Babaoshan Cemetery for Revolutionaries this afternoon. Yuan Renyuan died of illness in Beijing on 2 January this year at the age of 86.

Yuan Renyuan was a veteran comrade who joined the CPC in 1925, participated in the Baise uprising in Guangxi led by Deng Xiaoping and Zhang Yunyi, and served as director of the Political Department of the Second Column of the Red VII Corps. After the 2d Front Army and the 4th Front Army linked up during the Long March, he became political commissar of the XXXII Corps and struggled against Zhang Guotao's antiparty splittist activities. During the war of resistance against Japan, he served as director of the Political Department of the 359th Brigade under the 120th Division and as the special commissioner in Suide.

After the war of resistance against Japan, he held leading posts in the executive group of the Military Mediation Executive Commission and in the Jilin Provincial Government. Later, he successively served as vice governor of Hunan Province, vice minister of interior, secretary of the Qinghai Provincial CPC Committee, member of the Standing Committee of the Supervisory Commission of the CPC Central Committee, member of the Standing Committee and deputy secretary of the Central Discipline Inspection Commission, member of the Standing Committee of the Fourth CPPCC National Committee, and member of the Fifth NPC Standing Committee.

There were wreaths from Comrades Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Xu Xiangqian, Nie Rongzhen, Xi Zhongxun, Yang Shangkun, Yu Qiuli, Hu Qili, Chen Muhua, Deng Liqun, Wang Zhaoguo, Wang Zhen, Bo Yibo, Song Renqiong, Wang Ping, Wang Shoudao, Wu Xiuquan, Liu Lantao, Xiao Ke, Huang Huoqing, Cheng Zihua, Wang Heshou, Han Guang, Wei Guoqing, Bainqen Erdini Qoigyi Gyaincain, Liao Hansheng, Yang Jingren, Yang Chengwu, Chen Zaidao, Huang Kecheng, Li Jingquan, Xiao Jingguang, He Changgong, and Fu Zhong; from the Central Advisory Commission; the Central Discipline Inspection Commission; the NPC Standing Committee; the CPPCC National Committee Standing Committee; the General Office of the CPC Central Committee; the Central Organization Department; the Ministry of Civil Affairs, the leading organs of Hunan, Qinghai, and Jilin Provinces; and the leading organ of Cili County of Hunan Province.

Comrade Yuan Renyuan's remains were surrounded by pine trees. Amid funeral music, some 500 persons stood in silent mourning in front of his remains. They included Xi Zhongxun, Hu Qili, Chen Muhua, Deng Liqun, Wang Zhaoguo, Wang Zhen, Bo Yibo, Wang Ping, Wu Xiuquan, Liu Lantao, Xiao Kei, Huang Huoqing, Cheng Zihua, Wang Heshou, Han Guang, Bainqen Erdini Qoigyi Gyaincain, Liao Hansheng, Yang Jingren, Yang Chengwu, Chen Zaidao, responsible comrades of the departments concerned of the CPC Central Committee and the State Council, and Yuan Renyuan's friends.

While Comrade Yuan Renyuan was severely ill, he was visited in the hospital by Comrades Xi Zhongxun, Deng Liqun, Wang Zhaoguo, Wang Zhen, Bo Yibo, Song Renqiong, Wang Ping, Wang Shoudao, Wu Xiuquan, Xiao Ke, Cheng Zihua, Wang Heshou, Han Guang, Wei Guoqing, Bainqen Erdini Qoigyi Gyaincain, Liao Hansheng, Yang Chengwu and Fu Zhong. Comrade Xiao Jingquang assigned a representative to visit him in the hospital.

After cremation of Comrade Yuan Renyuan's remains, the urn containing the ashes will be placed at the Babaoshan Cemetery for Revolutionaries.

HU YAOBANG, ZHAO ZIYANG HONOR LATE NPC OFFICIAL

OW221529 Beijing XINHUA in English 1452 GMT 22 Jan 86

[Text] Beijing, January 22 (XINHUA) -- The Chinese Communist Party and state leaders joined over 600 mourners today to pay their last respects to the late Vice-Chairman Hu Yuzhi of the Standing Committee of China's National People's Congress (NPC). Hu, also acting chairman of the Central Committee of the China Democratic League and one of China's most prominent journalists, died of illness on January 16 at the age of 90.

Among the mourners today were party General Secretary Hu Yaobang and Premier Zhao Ziyang. Wreaths were presented by Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Xu Xiangqian, Nie Rongzhen, Ulanhu and Ye Jianying, as well as organizations of the party and government.

Born in Shangyu County of Zhejiang Province, Hu Yuzhi was a prominent figure in promoting China's progressive culture and publication. Before 1949, he took an active part in social activities against imperialism and reactionary forces. Especially in the years before and after the outbreak of the war of resistance against Japan in 1937, he started many publications to agitate national salvation.

Hu Yuzhi joined the Chinese Communist Party in 1933.

After the founding of New China in 1949, he served as editor-in-chief of the GUANGMING DAILY, head of the National Publishing Bureau, vice-chairman of the Committee for Reforming the Chinese Written Language, vice-minister of culture, vice-president of the Chinese People's Institute of Foreign Affairs, and chairman of All-China Esperanto League. He was member of the First, Second, Third, Fourth and Fifth NPC Standing Committees and vice-chairman of the Fifth National Committee of the Chinese People's Political Consultative Conference. The International Esperanto League, in a condolence message, described him as a "pioneer of China's Esperanto movement".

DENG LIQUN ADDRESSES DRAMA AWARDS CEREMONY 11 JAN

OW122121 Beijing XINHUA Domestic Service in Chinese 0842 GMT 10 Jan 86

[By reporter Yin Hongzhou]

[Excerpt] Beijing, 10 Jan (XINHUA) -- Deng Liqun, member of the Secretariat of the CPC Central Committee, spoke at a ceremony to present the national "Golden Monkey Award" to outstanding children's radio dramas today. He said: Work concerning youngsters is the work of the whole party and society. Leaders and mass organizations at all levels should get involved in such work and render more good services for children.

Leading comrades Wang Ping, Liu Lantao, Huang Zhen, Huang Huoqing, Yan Jici, Lu Zhengcao, Ma Wenrui, and Rong Gaotang attended the awards ceremony at the Great Hall of the People. Also attending were over 500 representatives from various localities and children's representatives from the capital.

In his speech, Deng Liqun said: Most of China's 300 million children live in the countryside, on the frontier, and in small and medium-sized cities. They need interesting spiritual food to enrich their extracurricular cultural life. Due to limited resources, it is still difficult to build large numbers of children's stage or movie theaters and children's palaces. However, songs, plays, and stories aired via a small radio can develop the children's intelligence, exert a favorable influence on their character, and expand the scope of their knowledge. Along with the advance in broadcasting work and the popularization of the receiving equipment, the radio will become more powerful and have a more penetrating influence.

Deng Liqun emphatically pointed out: Since children are growing both physically and mentally, it is necessary to pay attention to strengthening their cultural life while improving their material living conditions. He called on children's writers and artists to create, in the noble spirit of holding themselves responsible to the country and the people, more and better movies, plays, TV and radio dramas, poems, paintings, and other forms of literary creation for children. He urged them to use various artistic images to help children understand the real meaning of life; enhance their ability to discern between truth and falsehood, good and evil, and beauty and ugliness; conscientiously resist the influence of bourgeois ideas and feudal remnants; and become a new generation of people with ideals, morals, general knowledge, and discipline.

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NANJING AIR FORCE PARTY RECTIFICATION SUCCESS

OW221304 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 19 Jan 86

[Text] Checkups conducted of party rectification work in Air Force units of the Nanjing Military Region at and above the regimental level indicate that party rectification has enhanced the sense of party spirit, spurred on the reduction-in-strength reorganization, and promoted the work of improving these units.

In undertaking party rectification, these Air Force units of the Nanjing Military Region have considered their actual situation and decided that the focal work is to rectify party style in leading bodies of corps, division, and regiments, and among leading cadres of these organs. In conjunction with the reduction-in-strength reorganization and considering the fact that some new unhealthy practices in society have found expression in their organizations, all units have carried out self-examination and compared what they have done with the established requirements.

For some time, a number of units have put money above everything, resulting in mistakes which violate the rules set by the higher authorities. The party committee of the Air Force of the Nanjing Military Region believes that though this problem has appeared in the departments doing specialized work, its root cause is attributed to leading bodies at various levels. Accordingly, the leading organs have made a positive effort to investigate and deal with the problem by dispatching work groups to these units. As a result, 14 companies and enterprise offices established against the central authorities' rules have been shut down, 13 kinds of business activities not permitted by policy have been stopped, and operations of 12 hostels and parking lots set up without approval have been suspended in the military region. In addition, the unhealthy practice of indiscriminate distribution of [words indistinct] in some units has been halted.

Party rectification has not only enhanced the sense of party spirit among cadres with party membership but has also brought progress in the work of reduction-in-strength reorganization in various units. A flight division completed the work of closing and amalgamating some of its organizations only 5 days after receiving the order for reduction-in-strength reorganization. This reorganization involved the transfer of some 300 people, and all of them were able to take the overall interests into consideration and to report for duty to their new units at the scheduled time. [Sentence indistinct]

Through party rectification, another flight division has firmly grasped the reform of training work. It has put into effect a system of [words indistinct] training week activity, which has produced quite successful results in solving the problems concerning training.

LIANG BUTING ADDRESSES SHANDONG CYL CONFERENCE

SK220742 Jinan Shandong Provincial Service in Mandarin 2300 GMT 21 Jan 86

[Text] The Shandong provincial conference of CYL delegates opened at the Nanjiao Guesthouse in Jinan on the morning of 21 January. The main tasks of this conference are to relay and implement the guidelines of the National CYL Congress and the sixth plenary session of the fourth provincial CPC Committee, to sum up and review achievements in the past 3 years, to study and define the tasks for 1986, and to readjust a part of the membership of the Shandong Provincial CYL Committee in line with the needs of the development of the current situation and in accordance with the four requirements for cadres.

Liang Buting, secretary of the Shandong Provincial CPC Committee; Li Changan, deputy secretary of the provincial CPC Committee and governor; Jiang Chunyun, deputy secretary of the provincial CPC Committee; Yang Xingfu, Zhou Zhenxing, Feng Lizu, Zheng Weimin, and Xu Shulin, members of the Standing Committee of the provincial CPC Committee;

Su Yiran, chairman of the provincial Advisory Commission; Li Farong, secretary of the provincial Discipline Inspection Commission; Li Zhen, chairman of the provincial People's Congress Standing Committee; and Ding Fangming, vice chairman of the provincial CPPCC Committee, attended the opening ceremony. Song Qingwei, deputy political commissar of the Jinan Militan Region, attended the meeting to extend congratulations.

Comrade Jiang Chunyun spoke at the conference. He fully affirmed the achievements of the province's CYL committees in the various fields since the seventh provincial CYL congress. Comrade Jiang Chunyun said: During the Seventh 5-Year Plan period, the glorious mission of the broad masses of youths throughout the province is to vie to be new persons with ideals, morality, culture, and sense of discipline under the leadership of the party and the banner of reform, and to strive for improvements and perform meritorious deeds in an effort to fulfill comprehensively the Seventh 5-Year Plan and other tasks. This is the first year for implementing the Seventh 5-Year Plan. We hope that the broad masses of CYL members and youths throughout the province will display the vigor of the Year of the Tiger and bravely shoulder the heavy tasks entrusted to them by history.

Comrade Jiang Chunyun said: It is very important to foster a new generation of persons with ideals, morality, culture, and a sense of discipline in the great practice of reform and the four modernizations. We should lead and help the young people to foster a correct world outlook and outlook on life, lead them correctly to understand reform and the practice of opening to the outside world, vigorously intensify and improve ideological and political work, and urge the CYL cadres to make self-improvements. The CPC committees and governments at all levels should care for and support CYL work. All walks of life as well as all trades and professions should contribute to creating conditions for the healthy growth of young people.

Comrade Liang Buting also said a few words to the young friends at the conference. He said: Only by closely relying on the leadership of the party and not deviating from the party for a single moment can the CYL committees truly represent the interests of young people. Furthermore, only by continuously strengthening the flesh-and-blood ties with the young people and daring to reflect and represent the will and demands of the young people can the CYL committees become good assistants of the party.

Comrade Li Changan also said a few words to the young friends. He said: Be faithful assistants of the party and be bosom friends of the youths.

In the afternoon, Lin Tingsheng, secretary of the provincial CYL Committee, delivered a report to the provincial conference of CYL delegates on behalf of the provincial CYL Committee. Attending this conference were a total of 300 persons. Among them were members and alternate members of the seventh provincial CYL Committee, responsible persons of the CYL committees of the institutions of higher learning in the various prefectures and cities and the provincial-level units, and representatives of advanced youths and collectives selected from various fronts.

GUANGDONG MEETINGS STRESS IMPROVING PARTY STYLE

HK200557 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 19 Jan 86

[Excerpts] On the afternoon of 17 January and the morning of 19 January, the provincial leadership group for straightening out party style in the organs held report meetings of the provincial departments on studying the speeches of leading central comrades at the central organ cadre gathering and implementing the circular of the General Offices of the CPC Central Committee and State Council on solving some serious current problems in organ work style. Provincial CPC Committee Secretary Lin Ruo and Deputy Secretary Wang Ning made speeches after listening to the reports.

They said: As a result of party rectification and studying and implementing the spirit of the central documents, the provincial organs have solved some problems in party style and achieved some results. Party style is better than before. However, there are still many problems. We are very far from a fundamental turn for the better in party style. We must ceaselessly grasp this question in the future, and achieve practical results. We must start with the provincial organs and the leading cadres in straightening out party style and correcting unhealthy trends.

On how to specifically carry out this work in the new year, Comrade Lin Ruo said: We must first get a good grasp of education and training for the cadres, and fundamentally enhance the understanding of party-member cadres regarding the program of serving the people wholeheartedly. Secondly, we must conduct education in discipline. In the course of economic structural reform, powers have been delegated to the lower levels and restrictions on the enterprises have been relaxed, but discipline cannot be relaxed. While giving the enterprises decision-making powers and invigorating the economy, we must strengthen education in party spirit, style, and discipline, and step up discipline inspection work. We must deal seriously with those who refuse to mend their ways despite repeated admonition.

We must also put the party's democratic life system on a sound basis and seriously promote criticism and self-criticism.

HENAN'S YANG XIZONG URGES IMPROVING PARTY STYLE

HK210257 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 20 Jan 86

[Excerpts] Henan Provincial CPC Committee Secretary Yang Xizong stressed in a speech to a gathering of provincial organ cadres on the afternoon of 20 January: The whole body of party-member cadres in the provincial organs must set an example for the province in straightening out party style. We must regard continuing to do a good job in party rectification and further straightening out party style as a major task for 1986 and get a thoroughly good grasp of it, so as to stimulate reforms and the building of two civilizations this year and enable the province's work to advance to a new level.

The gathering of provincial organs was held in the Henan People's Assembly Hall. Provincial CPC Committee Deputy Secretary Liu Zhengwei presided. Yang Xizong delivered a speech entitled "Straighten Out Party Style, and Unite To Forge Ahead." He Zhukang, Zhao Di, Lin Yinghai, Zhang Shude, Zhan Jingwu, Dong Guoqing, Song Yuxi, Zhang Zhigang, Hou Zhiying, Song Zhaoshu, Yao Minxue, Han Jingcao, Zhang Chixia, and Hu Tingji attended, together with some 3,000 provincial organ cadres.

In his speech Comrade Yang Xizong first reviewed the fundamental and gratifying changes that have taken place in the province since the 3d Plenary Session of the 11th CPC Central Committee.

Yang Xizong said: There are still many problems in party style in the organs, and some of them are rather serious. There are indeed some rotten phenomena. In recent years some good documents have been issued and some good ideas proposed by the provincial CPC Committee and government and also by various departments on implementing the principles, policies, and instructions of the CPC Central Committee and State Council. However, quite a number of these documents and ideas have been implemented poorly. Often it is a case of just writing documents and discussing matters at meetings, but going no further than talking, without translating them into action.

Some units do their work in a superficial way. Some pass the buck to others when any problem crops up, afraid to take responsibility. They engage in bargaining over who is to handle a task, and delay solutions to problems for a long time.

Political liberalism is also rather conspicuous in the provincial organs. Some people do not study the central principles and policies and even ignore the intentions of the central authorities, find fault with them, and make irresponsible comments. They spread erroneous sayings based on their individual point of view.

Since last year, leading central comrades have repeatedly made truth-seeking evaluations of work since the 3d Plenary Session of the 11th CPC Central Committee and on the work of the Henan Provincial CPC Committee. They have fully affirmed this work. However, certain comrades pay no heed to this and continue to spread baseless rumors and slander; in some cases this has developed to groundless accusations, manufactured stories, and framing their comrades in pursuit of their own interests.

Some units are lax in organization and slack in discipline. They have not had an organizational life for a long time. Some people stress affections instead of party spirit and relationships instead of principles in employing people and handling matters. Instead of promoting great unity, they themselves draw demarcation lines according to their own views or by factions. They appoint acquaintances to official posts, organize their own crony groups and even praise some and look down on others, and draw some to themselves and squeeze out others.

There are many reasons for the existence of these problems. The negative consequences of the 10 years of Cultural Revolution turmoil cannot be completely eliminated in a short time. In the new historical conditions, the erosion caused by decadent capitalist and feudalist thought makes some people whose thinking was already unhealthy and stand unsound, forget the party's program, discard communist ideals, and bring capitalist concepts of value into the field of political life. For a time, our ideological and political work lagged behind the demands of practical life. In some units, the building of spiritual civilization has been relaxed, and their party leadership is weak and ineffective and dares not tackle unhealthy trends. They talk a lot of straightening out party style but do not do much about it. They are also weak and lenient in handling problems and cases that have already been brought to light.

Speaking on this question, Comrade Yang Xizong said: The provincial CPC Committee is responsible for the problems in party style in the provincial organs. We have lacked knowledge of this situation and the gravity of the problems, and our corrective and precautionary measures have been ineffective. We have not done enough in setting an example in some respects. In the course of straightening out party style in the provincial organs, in the future we welcome everyone's criticism and supervision of the provincial CPC Committee.

Comrade Yang Xizong called for resolute implementation of the central guideline on making resolute and sustained efforts in straightening out party style, correcting unhealthy trends, and eliminating rottenness. We must do a good job of this work in accordance with Comrade Deng Xiaoping's proposal to utter less empty talk and do more practical work.

He stressed: In Henan, correcting the party style must start with the provincial organs, including the provincial CPC Committee and government. In light of the province's realities, he stressed five issues:

1. Strengthen ideological education and ideological and political work.

2. ...y establish the idea that to lead is to serve. The leading organs must serve the grass-roots, and the upper levels must serve the lower levels.

3. Strictly enforce discipline and be strict in governing the party.

4. Put the party's life system on a sound basis and strengthen the party organizations' supervision over every party member.

5. Consider the overall situation, stress unity and practical results, and compare contributions.

Comrade Yang Xizong said: The provincial CPC Committee has decided to set up a leadership group for straightening out party style. Comrade Liu Zhengwei is head of the group and Lin Yingha, Zhang Zhigang, and Song Zhaoshu are the deputies. This group will be responsible for this work.

HUBEI COMMENTARY SUPPORTS SPECIALIZED HOUSEHOLDS

HK131212 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 9 Jan 86

[Station commentary: "We Must Continue To Support the Development of Specialized Households"]

[Text] Over the years, the rise of rural specialized households has played an important part in developing commodity production in rural areas, invigorating the rural economy, and expediting the peasants' pace of attaining prosperity. However, new problems have emerged in the course of development and need to be solved by leading comrades at various levels through reviewing experiences and continuing to support the development of specialized households.

In order to continue to support the development of specialized households, we must first fully understand the status and role of specialized households in the rural economy. The CPC Central Committee spoke highly of the specialized households shortly after their emergence. It pointed out that the households were the representatives of advanced productive forces in the rural areas, were forerunners in achieving common prosperity shared by all peasants, and were activists following the party in carrying out the extensive rural economic reforms.

In 1985, the number of specialized households in the province totaled more than 253,000. By rationally readjusting the production structure, they actively engaged in circulation channels, gradually enlarged the scale of operation, and improved their economic results. Many of them extricated the poor households from their poverty-stricken state after attaining prosperity themselves. They helped the poor ones in the area of technology, funds and seeds. Thus, they developed into civilized households and new economic combines. Only this is the main stream of development for specialized households. Under no circumstances must we falter in our understanding of the overall status of the role of specialized households even when we know that some of them have committed crimes.

In order to continue supporting the development of specialized households, we must overcome ideological obstructions. Some people said that specialized households attained prosperity so quickly that they were unfavorable to the goal of common prosperity. This is of course one-sided thinking. Both the productivity and marketability of commodities of the specialized households are much higher than those of ordinary peasant households. Therefore, the increase of income completely conforms to the principle that anyone who works more can earn more. There is nothing wrong with the specialized households attaining prosperity quickly. On the one hand, we must uphold the policy of common prosperity and, on the other, acknowledge the differences of development and allow some people and areas to attain prosperity first. Only thus can it be favorable to social development. If we adopt the practice of egalitarianism, we shall dampen the development of production.

In order to continue supporting the development of specialized households, we must also comprehensively and completely implement the party's policies toward attaining prosperity. We must maintain the continuity of policies. In the course of conducting extensive rural reforms, we must encourage the specialized households to attain prosperity by working hard, but not by grouping together several households as a large one. While we allow some people to attain prosperity first, we must respect the will of the peasants. Based on the system of contracted responsibilities to household and in connection with the development trend, we should develop new forms of economic combines. We must not stir up the wind of communism or practice egalitarianism. Instead, we must adopt suitable policies for carrying out necessary readjustment, so as to help the poor attain prosperity. We must protect the legitimate rights of specialized households while preventing them from seeking profits through illegal means.

In other words, we must comprehensively implement the party's principles and policies, and support the specialized households development in a healthy way so as to promote an overall prosperity in the rural economy.

GUAN GUANGFU AT HUBEI COMMENDATION MEETING

HK190338 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 16 Jan 86

[Excerpts] On 15 January, the Ministry of Railways, the province, and Wuhan City jointly held a meeting in Wuchang to honor two railway stations and three trains under the Wuhan Railway Sub-Bureau. The Hankou Station was named a civilized station by the Ministry of Railways. The Hankou Station and Trains No 37 and 38 of the station were respectively named a civilized station and civilized trains by the provincial CPC Committee and government. Trains No 245 and 246 and trains No 213 and 214 were named civilized trains by the Wuhan City CPC Committee and government. The Wuchang Station won third place in the third section of the 1985 national appraisal of passenger transport work in large railway stations and was commended by the Ministry of Railways.

Guan Guangfu, secretary of the provincial CPC Committee; Guo Zhenqian, deputy secretary of the provincial CPC Committee; Wang Jie, secretary of the Wuhan City CPC Committee; and (Li Daqiang), secretary of the Zhengzhou Railway Bureau CPC Committee, attended the meeting.

HU JINTAO SPEAKS AT GUIYANG ENLARGED CPC MEETING

HK170849 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 15 Jan 86

[Excerpts] On 12 January, at the closing session of the Fourth Enlarged Plenary Session of the Fourth Guiyang City CPC Committee, Hu Jintao, secretary of the provincial CPC Committee, pointed out in a speech: Over the past 5 years, Guiyang City has been full of vitality and advanced amid reforms. In the next 5 years, the city will strive to stand at the province's forefront in the areas of developing productive forces, reforming the economic structure, achieving a fundamental turn for the better in both party work style and the general mood of society, developing education, and developing the intellectual resources.

Comrade Hu Jintao said: We should affirm that the 7 years since the 3d Plenary Session of the 11th CPC Central Committee are also one of the best periods experienced by the city since liberation. In other words, these 5 years are a period of vigorous development and advancement. The situation is manifested in the following areas:

First, because of the introduction of the system of contracted responsibilities with payment linked to output as well as the readjustment of production structure in the rural areas, the peasants living in the suburbs of Guiyang City became more enthusiastic about production, thereby promoting all-round growth in the rural economy.

Second, because of the implementation of the principle of readjusting, restructuring, consolidating, and improving: the practice of decentralizing the decision-making power to enterprises; and conducting in-depth development in urban economic structural reform, a large number of large and medium-sized enterprises were put under the jurisdiction of Guiyang City. Not only has this strengthened the economic power of the city, but is also favorable to strengthening the extensive economic links among the enterprises. All this has promoted a stable and coordinated development of the city's industry.

Third, reforms has also brought new vitality to Guiyang City. The city has preliminarily formed an open circulation system marked by state-run commerce, varied economic elements, varied circulation channels, and manifold styles of operation. The tertiary industry is rapidly developing.

Fourth, reform have promoted the development of productive forces, and have promoted an all-round improvement in economic results. In 1985, the city's gross industrial and agricultural output value was increased by 93.8 percent compared to 1980. Its financial revenues increased by 118 percent compared to 1980.

Comrade Hu Jintao said: We should also realize that though there has been rapid economic development, the city is rather poor among the cities of a similar type in the areas of per capita output value and national income. Though our reforms were started much earlier, we face the problems of making little progress and not being perfect. There are problems in urban construction and we have not put an end to the situation of having a poor state of basic urban facilities. There are also problems in party work style and the general mood of society. Under no circumstances should we change our understanding about the good situation just because of these problems. However, we must not neglect them. We must take a scientific and down-to-earth attitude and seriously solve them. We must develop the good situation and make progress while conducting in-depth reforms.

Comrade Hu Jintao pointed out: In the next 5 years, Guiyang City must strive to stand at the province's forefront. As summed up by Comrade Hu Yaobang, our tasks for the next 5 years are to grasp well both the economic structural reform and the building of socialist spiritual civilization, while continuing to grasp economic construction. We should improve the situation so that our undertaking of socialist modernization can develop in an all-round, continuous, stable, and coordinated way. In order to achieve the above goal, the CPC Central Committee pointed out sharply an important political task for the central organs; that is, they should take their noble mentality and fine work style as examples for the country. This call of the CPC Central Committee is not only a driving force for comrades of the central organs, but is also a profound education and encouragement for local cadres and party members. Leading comrades at various levels, as well as the party members throughout the province, should seriously study and understand the spirit and essence of the remarks of the central leading comrades. They should also respond to their remarks with actions.

Later, Comrade Hu Jintao put forward explicit requirements to Guiyang City in the areas of developing productive forces, reforming the economic structure, achieving a fundamental turn for the better in both in party work style and general mood of society, developing education, and developing intellectual resources.

YUNNAN'S PU CHAOZHU AT RALLY ON CORRECTING STYLE

HK161416 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 13 Jan 86

[Excerpts] This morning, the Yunnan Provincial CPC Committee held a rally in the hall of the organs of the committee. In response to the call of the CPC Central Committee, it further mobilized and arranged for the work of correcting the work style of the leadership organs, of checking up on companies, and of investigating and dealing with big and serious cases.

At the rally, provincial CPC Committee Secretary Pu Chaozhu spoke about the problems of leadership organs correcting their work style and strengthening discipline. In his speech, Comrade Pu Chaozhu first affirmed the achievements scored by our province in investigating and dealing with big and serious cases, checking up on and consolidating all companies and centers, and solving the problems of leading cadres of party and government organs at and above the county level and by their children and spouses engaged in commerce and running enterprises, and the current several serious problems in the work style of organs since the meeting of county secretaries was held in October last year. He cited some typical examples, cases, and precedents, analyzed the pattern of crimes by a small number of criminals in the new situation, and reminded party organizations at all levels to heighten their political vigilance and further understand the importance and urgency of rectifying organs work style, correcting party style, and striving to do work in this aspect well.

Pu Chaozhu emphatically said: The Secretariat of the central authorities held a rally of cadres of the organs of the central authorities in Beijing. Leading comrades, including Comrades Yaobang, Jiyun, Zhaoguo, Shangkun, and Ziyang, delivered important speeches one after another. They called on the leadership organs to set an example in correcting party style. The demanded that the leadership organs of the central authorities set an example for the whole country with their own lofty spiritual outlook and excellent work style. The provincial CPC Committee has held that the speeches of several leading comrades of the central authorities are extremely important. They not only addressed the leadership organs of the central authorities but also made demands on the leadership organs at the provincial level and on the whole party. Whether the leadership organs at the provincial level have an excellent work style or not has a great bearing on whether a province does its work well or badly.

The leadership organs at the provincial level include the departments, committees, offices, and bureaus directly under the provincial CPC Committee and provincial government; the organs directly under the provincial People's Congress; the provincial CPPCC Committee; the provincial Discipline Inspection Commission; and the organs directly under all people's organizations at the provincial level. They must all resolutely implement the instructions of the leading comrades of the central authorities, actively respond to Comrade Yaobang's call, and set an example for the whole province with their own lofty spiritual outlook and excellent work style.

Through the rectification of the work style of the organs, we must ensure that efficiency is enhanced and that we study hard, strictly enforce discipline, strengthen party spirit, and lead the people of all nationalities throughout the province to do well in grasping two important matters -- reform of the economic structure and the building of spiritual civilization. In accordance with the instructions of the central authorities, the provincial CPC Committee has further studied and made arrangements for the correction of the work style of the leadership organs:

1. With a solemn attitude, party organizations at all levels must organize the party members and cadres at and above the county level to study the speeches of the several leading comrades of the central authorities at the rally of the cadres of the organs of the central authorities. Through study, in conjunction with reality, we must further understand the importance and urgency of rectifying organs' work style and correcting party style. In the first phase of party rectification in the organs at the county level, it is necessary to regard the implementation of the circular of the General Offices of the central authorities and State Council as an important content of education in party spirit, of correcting unhealthy trends, and of simultaneous rectification and correction. Party organizations at all levels must be determined to rectify organs' work style and to correct unhealthy trends with a serious and responsible attitude, and not a careless and casual attitude, and with an attitude of adhering to principle and sparing nobody's feelings, and not an attitude of dodging and covering up contradictions. Rectifying organs' work style and correcting unhealthy trends is also a rigorous test of whether the party spirit of party organizations at all levels is strong or weak and whether they have combat effectiveness or not.

2. It is necessary to further strengthen leadership over the work of consolidation and checking up. CPC committees and party organizations at all levels must each organize a strong group to strengthen leadership over this aspect of work. They must also each have a vigorous work group suited to their tasks. It is essential to grasp this work at every level and to establish the system of responsibility for consolidation and checking up. When unhealthy trends seriously exist in a place or unit, and have not been eliminated and corrected over a long period of time, the responsibility of its CPC committee and secretary for leadership must be investigated and affixed. With a view to strengthening leadership, the provincial CPC Committee has decided to set up a leadership group for consolidation and checking up, with Comrade Li Xingwang as the head of the group and with Comrades Li Shuji, Liu Shusheng, Yin Jun, (Giu Chuangxiao), and (Jin Renqing) as the members. Under it there is a General Office with Comrade (Luo Jiguang) as its director.

3. It is imperative to investigate and deal promptly with the big and serious cases. On the basis of the important clues disclosed in the course of checking up, it is essential to organize special forces to conduct prompt investigation and to investigate the cases to the end without sparing anyone's feelings, no matter who these cases involve, how high their posts are, and how senior they are. People, including myself, the provincial CPC Committee Standing Committee members, and the governor and vice governors of the provincial government, must unconditionally accept the supervision of all. In investigation, we must persist in seeking truth from facts.

4. It is necessary to use positive and negative typical examples to penetratingly sum up experiences and lessons and to conduct lively education in party spirit, party style, party discipline, and the legal system for the whole party. We must establish healthy trends and curb unhealthy trends. In the leadership organs, we must establish a good work style of enhancing efficiency, studying hard, strictly abiding by discipline, and strengthening party spirit.

5. Through conducting investigation and study and summing up experiences and lessons, we must strengthen the establishment of all necessary systems to prevent unhealthy trends.

At this morning's rally, a notice on the swindling case of the Kunming (Zhonghua) residential housing construction company was circulated.

Provincial CPC Committee Deputy Secretary Li Shuji presided over this morning's rally. Attending the rally were some 600 people, including He Zhiqiang and Zhu Zhihui, deputy secretaries of the provincial CPC Committee; Li Xingwang, chairman of the provincial Advisory Commission; Yin Jun, secretary of the provincial Discipline Inspection Commission; Li Guiying, chairman of the provincial People's Congress Standing Committee; Liang Jia, chairman of the provincial CPPCC Committee; veteran comrades Gao Zhiguo and Sun Yuting; responsible persons of the departments, committees, offices, and bureaus at the provincial level, of universities, colleges, CPC committees, and party groups of people's organizations, and of all prefectural, autonomous prefectural, and city CPC committees; and the principal responsible persons of the Kunming City party and government.

XIZANG MEETING REVIEWS LEFTIST EXPRESSIONS

HK190347 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Jan 86

[Excerpts] In close connection with the reality of their counties, county and district cadres attending the enlarged meeting of the Qamdo Prefectural CPC Committee have set out the expressions of leftism, discussed the harm done by leftism, dug up the roots of leftism, and eliminated its influence.

(Li Guangwen), secretary of the Riwoqe County CPC Committee, said in his speech that the influence of leftism and the pernicious effects of the Great Cultural Revolution were mainly expressed in the county in the following ways: We have not been thorough in negating the Great Cultural Revolution and eliminating its vestiges. We have not been thorough in implementing policies concerning the people. We have not carried out thorough propaganda on the discussion on the criterion for truth, eliminating leftism, and on completely negating the Great Cultural Revolution. Some cadres are accustomed to viewing things and analyzing and handling problems by applying the viewpoint of taking class struggle as the key link, and are unaccustomed to new things and new demands. Some people are very worried that religious activities will affect the masses' production and livelihood and public order. They thus adopt the method of hampering and strangling such activities. There is a failure to attach importance to the use of written and spoken nationality language, and to bring into play the role of united front and religious figures, Tibetan intellectuals, and doctors of Tibetan medicine. Some people are impatient for quick results in work, copy the methods of the interior in a fashion divorced from raality, and end up doing some stupid things.

After several days of discussions, the participants said with feeling: The influence of leftist ideology indeed runs deep in every county and has done much harm.

BEIJING SECRETARY GREETS PUBLIC BATH WORKERS

OW230802 Beijing XINHUA Domestic Service in Chinese 1457 GMT 22 Jan 86

[By correspondent Cheng Jingao, Xia Junsheng]

[Excerpts] Beijing, 22 Jan (XINHUA) -- At a meeting held in Beijing this afternoon for workers of public baths and barbers to mark the Spring Festival, Li Ximing, secretary of the Beijing Municipal CPC Committee, extended his best regards to the 7,000-odd workers of Beijing's public baths and the barbers. Luo Gan, vice chairman of the All-China Federation of Trade Unions; He Jihai, vice minister of commerce; and over 200 model public bath workers and barbers attended the meeting sponsored by the Beijing Federation of Trade Unions.

HEBEI COMMERCIAL UNITS CITED ON 'UNHEALTHY TRENDS'

SK221144 Shijiazhuang HEBEI RIBAO in Chinese 25 Dec 85 p 2

["Excerpts" of speech delivered by Bai Shi, Standing Committee member of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission, at a conference to exchange experiences of commercial units in improving party style: "ENhance Confidence To Improve Party Style" -- date and place not given]

[Excerpt] Correctly Understand the Situation Regarding Party Style

In order to enhance our confidence in correcting party style, we should, first of all, have a correct estimation of the situation regarding party style. With regard to the estimation of the situation regarding party style, there ar[illegible] phenomena. The first is paying sole attention to the severity of problems. Some peop[illegible] feel that there are increasingly more problems, and fail to see the achievements won [illegible] the past few years. This will result in a loss of confidence and doubts about the fu[illegible]mental improvement in party style. The second is paying sole attention to the excellent situation without noting problems or making a full estimation of the severity of problems. This will lead to a blind optimism, slackness of efforts, relaxed ideological and political work, and a failure to improve party style earnestly. These two phenomena are not only harmful but also incompatible with the actual conditions.

Marked changes have indeed taken place in our party style during the past few years. To name the major ones, first, our party reestablished the ideological line of seeking truth from facts. Some people excluded this from the realm of party style, and rarely regarded the truth-seeking way of thinking as a part of party style when they were talking about party style. Our party suffered from this problem for a long period of time, and the work style of not seeking truth from facts was once very serious. The ideological line of seeking truth from facts has been reestablished since the 3d Plenary Session of the 11th CPC Central Committee. Second, the trend of reform is being created throughout the party. It is a very great change for us to discard conventions and carry out reform, exploration,and creation of the new. This is also a change of party style. Third, we have normalized inner-party life. What was the inner-party life like in the past? A patriarchal system, "one person alone having the say," and personality cult prevailed, and the system of democratic centralism was damaged.

At present, although democratic centralism has yet to be implemented successfully, the patriarchal system and the practice of allowing "one person alone to have the say" have been greatly changed, particularly in some high leadership strata. Fourth, a large number of leading cadres who dare to explore the new, go deep into the realities of life, and work selflessly has emerged throughout the party, and party and government leading bodies at all levels have achieved marked progress in becoming younger, better educated, more revolutionary, and more professionally competent.

However, we should also note the current serious problems. At present, there are some people, in particular, some leading cadres at every level, who fail to fully estimate the problems. They either cannot point out any problems or can only talk about them in a very superficial way. Why? Because they know too little about the problem or take them too lightly. Although there has been great improvement in party style during the past few years, we must know that the problems in party style manifest themselves differently in different periods, and that new problems in party style will crop up along with the changes in the objective situations of every period and therefore our work focus and orientation should also change continuously. We should not feel at ease and justified to see that old problems are solved, but should also note the severity of new problems. The CPC Central Committee has given repeated injunctions to ban unhealthy trends. Some of the unhealthy trends have been checked, but others, instead of being stopped, are further developed in the new situation. Some people concocted various pretexts to go abroad for sight-seeing, or seized every opportunity to tour everywhere. Some cadres who have certain authority, together with their children or family members, abused their power or privileges to seek convenience in various fields, and to do business to gain profits or embezzle. Some organs engaged in extravagant wining and dining and gave parties and presents; this practice has become increasingly rampant. Some organs and enterprises resorted to fraud and various other measures to undermine the interests of the state for the selfish benefit of their own small groups. As far as these problems are concerned, there are some new trends rarely seen in the past. In the past, people engaged in such unhealthy trends covertly and dared not make them known to others. But the situation is different now. We have found that the leading party groups, party committees, or party branches of some units discussed openly, at meetings, issues that clearly constituted violations of law and discipline, and made decisions that violated law and discipline. This merits our special attention. How could decisions in violation of party discipline and state law be made at party meetings? The party committees that did this were not only those at lower levels but also those at comparatively higher levels. Such serious problems and such corruption not only run counter to the socialist spiritual civilization but, in fact, go beyond the bounds of the spiritual civilization and morality in some cases, and have become open violations of law and discipline.

Such problems also exist in commercial units and the field of circulation. Some problems, such as asking for sales commissions and funds for giving convenience to others, are even more serious. Since the beginning of this year, some commercial units of our province have voluntarily handed over to the state or recalled such funds. This is good. Two units have already recalled more than 160,000 yuan of "sales commission" or similar funds. The sum was so large in just two units. Throughout the province, there are some 6,400 commercial units that exercise independent accounting, and many production and marketing units and units involved in circulation in other fields. Imagine how serious the problems can be! However, some of our comrades fail to see the severity of such problems, become accustomed to them, and even consider them a normal way of business. Some people say that economic results will not be improved without engaging in such practices. We can see from this how far our understanding lags behind.

The Relationship Between Improvement of Party Style and Success in Vocational Work

At present, some comrades also acknowledge the importance of party style and know the many problems with regard to it, but they think that party committees and discipline inspection commissions should take charge of this, and that administrative and vocational departments do not have to pay attention to party style, but need only carry out economic and other vocational work. Such an understanding is wrong. One of our province's successful experiences in improving party style is the fact that departments in all fields have paid attention to improving party style. However, some comrades hold that the efforts of these departments in improving party style means the efforts of their party organizations and discipline inspect organizations alone, and think that they do not have to pay attention to party style because they take charge of vocational work or because they are administrative leaders. Such thinking should be thoroughly changed. All fronts should regard improvement of party style as their own responsibility, because our stressing of the importance of party style involves a whole front, not just a few individuals, an improvement of party style is not just a task for party committees and discipline inspection commissions, but a common task for all fronts. When implementing policies, carrying out reform, inspecting work, and engaging in a series of tasks, leading cadres at all levels on all fronts, particularly party-member cadres, should not only carry out their vocational work successfully, but should also consider the work of improving party style,and the ways to enforce discipline strictly, improve systems, plug loopholes, and guard against various violations of law and discipline.

Some issues to Which Attention Should Be Paid in Improving Party Style

1. Focus should be defined and efforts concentrated to check unhealthy trends. At present, we should check the trend of arbitrarily sending personnel abroad; resolutely stop sight-seeing or disguised sight-seeing with public funds; strictly ban extravagance and waste, and giving of parties and presents; and strictly prohibit party and government cadres from seeking other illegal income besides their wages and the benefits granted by their organs, and the leading cadres of party and government organs, as well as their children and spouses, from abusing power and violating regulations to engage in business for profit. In addition, all fields and units should define their own focus in line with their specific conditions, and concentrate efforts to solve the major problems.

2. Leading cadres, leading organs, and leading departments should take the lead, because "if the upper beam is not straight, the lower ones will go aslant." The exemplary deeds of leading persons are a voiceless force. When they act properly, others will learn from them, and when they do not act properly, others will learn from them, and when they do not act properly, the more they speak, the more doubts others will have. There are four demands on leading persons who are to take the lead. First, they should correct their ideas, and clearly distinguish right from wrong with regard to unhealthy trends. Second, they should be clean and right themselves, and educate their family members and children to be the same. Third, they should be brave in tackling unhealthy trends. Fourth, they should resolutely overcome bureaucracy. At present, the reasons why some units have many problems and cannot solve them in a timely manner are that their leaders are bureaucratic, understand the situation in a superficial manner instead of doing their work thoroughly, and pay attention to increasing their economic norms alone to the neglect of the work in other fields. They do not know how their achievements were scored, and even show little concern about some fraud. Without solving the problem of bureaucracy of leading persons, it will be very difficult to solve many problems.

3. It is necessary to conscientiously investigate and handle cases, and strictly enforce party discipline and state law. The major reason why the many serious problems in party style cannot be solved for a long time is that many leading persons engage in more talk and do less work, do not conscientiously investigate and tackle the many problems, and fail to sternly handle many cases. An effective method to correct unhealthy trends is to investigate and handle them every day. When investigating and handling the unhealthy trends, every level should do solid work, make real efforts, and dare to cope with difficulties.

4. Serious unhealthy trends in a unit and failure to correct them in a timely manner show the dereliction of duty of its leaders, and they should be held accountable. Leading persons of commercial units should also hold responsibility for such serious cases as spoilage and loss of commodities. If we leave this problem unsolved, we will find it difficult to plug loopholes in the future.

5. It is necessary to pay attention to education, the symptoms of unhealthy trends, and day-to-day ideological and political work. Education is the foundation. It is necessary for us to have systems and to handle problems. However, the most fundamental thing is the people's thinking. Only when they have correct ideas can they build a great wall against corruption and degeneration, and promote a quicker improvement in party style.

SHANXI CIRCULAR ON IMPLEMENTING LEADERS SPEECHES

HK210511 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 16 Jan 86

[Excerpts] On 16 January, the provincial CPC Committee issued a circular calling on party committees at all levels and all departments directly under the provincial authorities to seriously study and implement the important speeches of leading comrades at the meeting of central organ cadres. The circular pointed out that recently, the Central Secretariat held a meeting of central organ cadres, at which such leading comrades as Hu Yaobang, Zhao Ziyang, Tian Jiyun, Yang Shangkun and Wang Zhaoguo delivered important speeches. They comprehensively analyzed China's good political and economic situation in recent years, China's remarkable progress in economic structural reform and improving the party work style. At the same time, they seriously pointed out the present problems in organ work style, the importance of correcting party work style, and the direction and methods of correcting party work style. They urged all party members and cadres of the central party, government and military organizations to take an exemplary role in this work.

The circular urged: First, the party and government organs at all levels must organize all party members and cadres to study seriously the important speeches of the central leading comrades. The units should study and discuss them simultaneously with reference to their experiences, so as to heighten their consciousness of correcting party work style. Second, party organizations at and above county level must attach great importance to the work of correcting party work style. The principal leadership of county CPC committees must personally handle the work. They must seriously improve the situation, make concrete plans and frequently check the situation. They are prohibited from paying lip service or acting perfunctorily. The leading cadres should resolutely take the lead in the work.

They should study the speeches and correct their mistakes simultaneously, seriously solicit opinions from the masses, and voluntarily correct their unhealthy tendencies, so as to play an exemplary role for the masses. In the work of correcting party work style, organs directly under the provincial authorities must set examples for the state as a whole.

Third, party and government organs at all levels must treat as the breakthrough point of correcting the party work style, the implementation of the spirit of Document No 57 issued last year by the CPC Central Committee and State Council offices. Units which are carrying out party rectification must take the six serious problems in organ work style as focal points in measuring themselves by the standards of the central authorities. Units which have carried out party rectification must review their situation and measure themselves by the spirit of the document. They should sum up their experience and really solve the problems. After solving the six serious problems, they should solve problems of bureaucratism, liberalism, indiscipline and irresponsibility among organs.

Fourth, we should perfect the regular activities of the party. Party and government organization, at and above county level, msut strictly follow party regulations, so as to regularize the political activities of the party.

SHANXI DEPUTY SUBMITS CENTRAL DOCUMENT TO CADRES

HK140159 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 13 Jan 86

[Summary from poor reception] From 9 to 11 January, Shanxi Provincial CPC Committee Deputy Secretary Wang Jiangong went to this work liaison point in (?Jixian) County to announce to 600 country, township, and village cadres the spirit of CPC Central Committee Document No 1 of 1986 and to study and discuss plans for country development with them.

"In announcing the spirit of the Central Document No 1 to the cadres of three levels, in connection with the state of rural reforms and production last year, Comrade Wang Jiangong focused on the new situation, tasks in rural work, and the questions of how to further achieve the correct economic position of agriculture, improve the conditions for agricultural production, strengthen the reserve force for increasing agricultural production, continue to carry out rural economic reforms in depth, help to transform poor areas, and strengthen leadership." He pointed out: "Taking agriculture as the foundation in developing the national economy reflects not only ojbective economic laws but also natural laws. We must unswervingly regard this as a long-term strategic principle. We must integrate 'no stability without agriculture' with 'no enrichment without industry.' The two stimulate and support each other; they do not isolate and exclude each other. It is with this viewpoint that we must discuss problems and decide on policies and measures." Industry and sideline occupations must supplement and nourish agriculture. While readjusting the production structure, we must correctly handle the relationship between grain production and diversified undertakings. We must achieve coordinated development in all sectors.

Wang Jiangong said the county should take advantage of its natural resources to enrich and promote a variety of diversified undertakings. The country should be transformed into a green treasure house. For this scheme, the masses should be fully mobilized in order to promulgate ideas and strategies.

HEILONGJIANG SECRETARY ON RURAL RECTIFICATION

SK211058 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 20 Jan 86

[Text] In his speech at the provincial conference on the township-level party rectification, which concluded on 20 January, Sun Weibun, secretary of the provincial CPC Committee, pointed out that the strict management of party affairs must be focused on the straightening out of party style. In accordance with the guidelines of Document No 57 of the central authorities, leading organs and leading cadres should take the lead in straightening out party style, bravely manage and straighten out unhealthy practices, and bravely face difficulties. The party committees at all levels should place the straightening out of party style and the investigation and handling of cases as the main order of the day and persistently carry out the work for several years. Only by so doing can we successfully carry out the guidelines of the central call for straightening out party style resolutely and consciously.

Rural party rectification is carried out in three stages, roughly. Party rectification should be comprehensively carried out among town and township organs and the enterprises and establishments at the town and township level from the beginning of this year to June. Party rectification should be carried out among grass-roots enterprises and establishments in cities and towns from this coming May or June to the end of the third quarter of this year. The village-level party rectification should be carried out from next winter to the following spring.

The conference pointed out: Rural party rectification should be carried out in accordance with the principle of promoting and ensuring the development of reform and the economy. Most rural cadres in our province are good or fair except for the few with serious problems. We must seek truth from facts in handling cadres with problems and make efforts to maintain their initiative in handling their problems. Such practices as taking advantage of party rectification to criticize and attack somebody or establishing contacts with somebody to interfere with the progress of party rectification must be forbidden.

The conference pointed out: it is of extreme importance that rural party rectification enter a significant phase, which will be the largest in scale and the widest in range in the whole party rectification work. Thus, we must strengthen leadership over rural party rectification. The county CPC Committees should be responsible for the entire party rectification work, while leading cadres are assigned personal responsibility for the township party rectification. The township and town CPC Committees should specifically exercise leadership for the party rectification work with the guidance given by the cities and prefectures in order to ensure smooth progress of rural party rectification work.

Liu Chengguo, deputy secretary of the provincial CPC Committee, made specific arrangements for the party rectification work of the enterprises and establishments run by counties in various townships [words indistinct].

JILIN CPC MEETS ON COMBATING ECONOMIC CRIMES

SK180345 Changchun Jilin Provincial Service in Mandarin 2200 GMT 14 Jan 86

[Text] On the morning of 14 January, the leading group in charge of dealing blows to serious economic criminals under the provincial CPC Committee held a telephone conference. Wang Xianjin, deputy secretary of the provincial CPC Committee, called on CPC committees at all levels to conscientiously implement the guidelines of the meeting of cadres of the central organs and urged the leading organs at all levels to resolutely and rapidly check and handle major and appalling cases in an effort to deeply carry out the struggle against serious economic crimes and to promote a basic turn for the better in party style.

Comrade Wang Xianjin said: Since the provincial CPC Committee held the meeting on striking heavy blows against serious economic criminals at the end of last October, the CPC Committees at all levels have strengthened leadership over the struggle against economic criminals and taken fairly effective measures for handling cases. Thus, the pace of handling cases has been accelerated, and a group of serious economic criminals have received due punishment. A good situation in combatting serious economic crime has emerged. But we must not overestimate the province's achievements in combatting serious economic crime. At present economic criminal activities are still rampant. Economic criminals have used flexible tricks to engage in various criminal activities. Thus CPC committees at all levels must take effective measures for conscientiously strengthening leadership so as to strike heavy blows against serious economic criminals.

Comrade Wang Xianjin said: The general guiding ideology for the next step in the struggle against serious economic crimes is to conscientiously implement the guidelines of the National Conference of Party Delegates and the meeting of cadres of central organs and to carry out the plan for concentrating time and forces on striking blows against economic crimes made by the provincial CPC Committee. The CPC committees at all levels should pay equal attention to dealing blows to economic criminals and criminal offenders, and list this work as one of the main agenda items in order to regularly discuss and carefully implement it. The leading party and government organs should further mobilize the masses to achieve the work of combatting economic crime. Special attention must be paid to checking and handling major andappalling cases relating to the leading cadres and office workers at or above the county level. We must bravely face difficulties and carry investigation work through to the end. Provincial-level party and government organs should set an example for the whole province and simultaneously educate the cadres and the masses to link the struggle against economic crimes to party rectification, the organizational system of counties and townships, and the dissection of sample cases in order to realize a basic turn for the better in party style, through this struggle, as soon as possible.

Also attending the meeting were responsible comrades of the provincial-level departments and members of leading groups in charge of dealing blows to serious economic criminals under the city, prefectural, autonomous prefectural, county, and district CPC committees.

DAQING OIL FIELD OFFICIALS ON FUTURE TARGETS

OW221016 Beijing XINHUA in English 0909 GMT 22 Jan 86

[Text] Daqing, January 22 (XINHUA) -- The Daqing oil field, China's largest, is set to maintain its present output of 350 million barrels a year for another ten years, according to the oilfield's administration bureau. The oilfield has maintained its output of 350 million barrels since 1976.

"There are difficulties meeting the target," said Li Yugeng, director of the bureau. "But no difficulties are unsurmountable and the past experience will pull us through." He said that the oilfield has developed a whole set of technologies to stabilize oil output even under extremely difficult conditions and the technical force has grown mature. "In addition", he said, "we have found a number of smaller oil pools which will be tapped one after another."

LIAOWANG PROFILES SHENYANG MILITARY COMMANDER

HK160237 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 2, 13 Jan 86 p 31

[Article by Li Yuezhu: "Liu Jingsong, Newly Appointed Commander of the Shenyang Military Region"]

[Text] I knocked at the door of Room 022 at the military region guesthouse in Shenyang, northeast China. A stout, healthy-looking soldier opened the door, took my hand in his firmly, and said, "Welcome! Welcome!" and enthusiastically led me to the sofa. This was Liu Jingsong, newly appointed commander of the Shenyang Military Region. The living quarters were ordinary, two rooms with a floorspace of 21 square meters. The inner room was furnished with a bed, a desk, and a chair, and the outer room with a pair of easy chairs and a dining table.

In July 1985, Chairman Deng Xiaoping of the CPC Military Commission issued an order appointing Liu Jingsong, Army commander, as commander of the Shenyang Military Region replacing former Commander Li Desheng. He did not bring his family and has lived alone in the guesthouse since he took office.

Looking at his smiling, frank, and honest face, I could not help bursting out with a question I had long entertained: "It is said that you are Marshal Liu Bocheng's son, is this true?"

Laughing, he said: "What nonsense! My 73-year-old father is called Liu Chunmei. He still lives in our old home in Hubei!"

Here our talk began. Commander Liu told me he was born into an ordinary peasant family in Shi Shou County, Hubei, on 5 July 1933. There used to be seven brothers and sisters in the family, but three of them passed away; now he has only two younger brothers and a younger sister, all of whom live in rural areas. Liu Jingsong joined the Army to defend the motherland when he was 18 and was assigned to study at PLA Infantry Academy No 7. The 3 years he spent at the military academy cultivated his quality as a soldier, which is regular and strict. He was a straight A student and received excellent scores in all 34 subjects but one. In the 31 years since his graduation, he has successively been appointed platoon leader, company commander, battalion commander, regimental commander, division commander, and Army commander; for 22 years out of the 31, he has been in the principal spots of those units. The units under his command were mechanized ones, which enabled him to become familiar with and to master the scientific knowledge of all major arms of the Army, such as infantry, artillery, and tank forces. He can drive a car and shoot a gun; he has experience in practical work as well as in office work. In the mid-1960's, he was given the chance to stand the test of war in aiding Vietnam resistance of the United States. On five occasions he rendered meritorious services, and on 21 occasions he was awarded with prizes. On numerous occasions he was priased as a pacesetter for cadres and activists by leading organs at all levels.

Liu Jingsong, 52 this year, is the youngest military region commander today. What characteristics can we find in him? They can be generalized as: unity, diligence, uprightness, and calmness.

According to Liu Jingsong: "Uniting one's colleagues is an indispensible quality of a leader. In order to do a good job in uniting one's colleagues, a very important point is to have the spirit of tolerance, modesty, and self-criticism. The ancient Chinese saying goes, a prime minister's heart should be large enough to pole a boat in; a leader should be just like that." In his military life, he has worked in coordination with scores of comrades-in-arms in organizing leading bodies, and he has never engaged in unprincipled disputes.

Liu Jingsong had only gone through junior middle school before he joined the Army; however he has been very diligent in his studies, working hard to make up for the inadequacies of his schooling. He has never had the chance to work with revolutionaries of the older generation such as Liu Bocheng, but he has seriously studied many of their works.

Looking aroung his living quarters, one finds books in piles everywhere on his bookshelves, desk, and bedside, which is enough to prove what hard work he has done to attain knowledge. There are books on politics, military affairs, economics, geography, history, and meteorology; ranging from "The Art of War" by Sun Zi of ancient China, to treatises on military affairs of various categories of today, from China's Zhu Geliang of China to foreign countries' Napoleon, George Washington, and De Gaulle. He reads widely, adopting the merits of various schools, incorporating diverse things, enriching his own treasure house of knowledge bit by bit. He has jotted down several million words of notes and data in his studies, written more than 10 academic theses on military affairs, and has published 7 or 8 articles in newspapers in the past 2 years.

Paying for it himself, he is now taking a college correspondence course run by a nationwide newspaper, majoring in national economic management. Recently, he took an examination in six subjects and passed them all, and he will graduate in another year. "The commander going to college" became the talk of the town for a time.

His personal experience concerning uprightness is still deeper. he said: "In the final analysis, the question of party style, the style of the Army, and the social atmosphere is a question of the 'style of the officials.' When the style of leading organs and leading cadres is upright, the whole social atmosphere will be brought along." Shortly after he was promoted commander of the Shenyang Military Region, he made an announcement to all cadres at and above the division level on four rules concerning his visits to army units: no accompanying at every level, no wine and banquet giving, no welcoming and seeing off ceremonies, and no gift giving in the form of native produce. One day in November, he was inspecting work in a certain unit. This unit was to be demobilized in the streamlining and reorganization program. Before dinner was served, a leading member of the unit opened a bottle of wine and said to the commander: "We will part soon. This is the first time you have been here as well as our last time to receive you. This bottle of wine is my personal property, and with it we shall express the honor of your company." But the commander answered: "I've set the rule myself, and I have to carry it out. I can't drink the wine!" Later, he returned to his mother school together with an ex-classmate, a commander of a certain combined arms army. Maotai was placed on the dining table. He stopped it and said: "Ex-classmates should all the more bring back old traditions. Let us take a picture in front of the school gate instead!" Thus a picture took the place of a bottle of maotai.

The commander has three children, but none of them has "benefitted" from his position. His wife is still a worker in a small, collectively-owned factory. Some people thought of transferring his wife to a better position, but he said: "Never mind! She is now more than 50. How long can she go on working? Let her retire when her time comes."

All outstanding generals, ancient and modern, Chinese and foreign, have had the quality and style of being composed, cool, and calm. Zhu Geliang was guarding an empty city, and his composed playing of a musical instrument made the enemy troops retreat 40 li. Facing the attack by Hitler's mighty army, Stalin remained composed and retreated again and again, but finally he launched a counterattack and took Berlin. When Mao Zedong led the Red Army in the Long March, he dealt wonderfully with Chiang Kai-shek on the 25,000 li march, and finally arrived in northern Shaanxi victoriously. All this has greatly inspired Liu Jingsong.

Over the past 3 decades and more, he has often taken these as examples, and set strict requirements for himself, tempering himself. He has tried his best to remain cool and composed no matter what happens, not being scared by some sudden occurrence and not being angered by any wrong done to him. He can remain calm and handle affairs with ease in emergencies or when facing some difficult problem.

Toward the end of the summer of 1985, an extraordinary flood took place in the Liao He valley. The situation was very dangerous. He took a helicopter and inspected the conditions of the afflicted areas, studying plans, and commanding more than 20,000 commanders and soldiers in the struggle to fight desperately against the flood and to provide disaster relief. They rendered meritorious service in defending the lives and property of the people.

In conclusion, I asked Commander Liu Jingsong what his experiences were in taking up the important post of commander of the military region? Commander Liu said: "Honestly speaking, I am neither a fool nor a genius. I do not have the so-called 'blue blood' which some people prize most, but I am determined to inherit the excellent tradition and style, to have the enthusiasm to devote to the modernization of our national defense, and to have the courage to overcome all difficulties."

Commander Liu mentioned three points concerning work from now on: First, it is necessary to lead the Army in resolutely implementing the series of strategic decisions of the Central Committee and the Central Military Commission.

Second, it is necessary to further strengthen the great unity between the party, the government, the Army, and the people in the northeast region, and to continue to fulfill the important task of supporting the construction of the state's key projects, so that the Army and the government and the Army and the people may merge into one in a series of important works involving the whole situation; thus their role in the four modernizations may be brought into play.

Third, it is necessary to grasp well the reform of the Army, so that all items of work may make progress with some breakthroughs, and the Army may genuinely become an important force in safeguarding the modernization of the motherland and world peace.

SHENZHEN TO STOP BUYING, CHANGING CARS

HK210229 Hong Kong WEN WEI PO in Chinese 19 Jan 86 p 2

["Special Dispatch From Shenzhen": "Shocking Number of Cars Purchased at Random; Shenzhen Announces Resolute Ratification"]

[Text] At the recently concluded cadres meeting on rectifying party style, which was called by the Shenzhen City authorities, the Shenzhen City CPC Committee and the Shenzhen City People's Government pointed out the need to correct the malpractices concerning the various types of small cars used by leaders at various levels, and announced that in 1986 the city's party and government organs at all levels and its enterprises and institutions will not buy any more cars.

It is reported that over the past few years, the number of nonproductive small cars in Shenzhen has been growing at a shocking rate. The leaders of some departments and units want very much to seek ease and comfort. They do not hesitate to use large amounts of foreign exchange to buy imported luxury cars. At present, the number of imported cars and jeeps owned by the units under the Shenzhen City authorities exceeds 6,600, more than double that allowed by the provincial and city authorities.

According to informed sources, many of these cars are used by unit leaders for transportation between their homes and offices. Despite the fact that the corporations under their leadership are losing money, many leaders buy cars with bank loans or with profits from the selling and reselling of foreign exchange. In one company group owned, almost all of its party committee secretaries, managers, and engineers each have a car. This company spends at least 700,000 to 800,000 yuan each year to pay drivers and to pay for gas and insurance. However, this company is losing money and can only pay its workers with funds allocated by the state. The manager of a certain company successively bought three cars in 8 months, each being more luxurious than the preceding one. Some people angrily said that the leading cadres changed their cars as often as the people change their clothes.

The Shenzhen City People's Government suggested that, although the work concerning the special zone requires the use of cars, the practice of freely buying and changing cars is intolerable, that this indicates the presence of a degenerate style in the party, and that it is necessary to rectify it.

AIR FORCE HOLDS TRAINING, ENGINEERING CONFERENCES

HK210453 Hong Kong MING PAO in Chinese 21 Jan 86 p 6

["Special Dispatch From Beijing": "Air Force Steps Up Training of Recruits"]

[Text] The Chinese Air Force this year plans to reform the present training system, implement a triple training system (aviation school training, conversion training, and combat troop training), and pay close attention to the training of recruits. This news was disclosed at a recent Air Force training work conference.

From 3 to 10 January, the Air Force held a training work conference, a logistics work conference, and an aeronautical engineering work conference in Beijing and Xuzhou respectively.

The three conferences were presided over by Ma Zhanmin, chief-of-staff of the Air Force; Huang Yonggui, director of the Air Force Logistics Department; and Zhu Weibin, director of the Air Force Aeronautical Engineering Department, respectively. Leading cadres of the Air Force including Commander Wang Hai, Political Commissar Zhu Guang, Deputy Commanders Yu Zhenwu and Li Yongtai, Deputy Political Commissar Gao Xingmin, Chief-of-Staff Ma Zhanmin, and head of the Political Department Bi Hao delivered speeches at the conferences.

The training conference discussed training scheduled for 1986 and decided to do a good job of the following: First, reform the current training system, implement a three-level training system (aviation school training, conversion training, and combat troop training), and pay close attention to the training of recruits; second, strengthen the training of the combat forces so that they can become the "first" in fighting battles, as well as the vanguard in conducting training, and promote the training of the entire Air Force; third, enhance officers' training; fourth, improve the quality of training, achieve better results, and exercise effective control over training plans: and fifth, accomplish the tasks vigorously and ensure flight safety.

The logistics conference pointed out that despite reduction of funds, price increases, and arduous tasks in 1985, the Logistics Department ensured the supply of various goods and materials and made successes in all fields of its work, particularly in developing production. Ex-budgeted income totaled over 600 million yuan. The conference decided to do the following well in 1986, under the guiding principle of "doing a good job of our work even with less funds and personnel": First, reform the logistics management system, do a good job in streamlining and reorganization, and accomplish the task of ensuring supply: second, carry out reforms in various professional fields, increase income and decrease expenditures, vigorously develop production, and ensure that the living standard of the Air Force is improved; in the production of nonstaple food, the Logistics Department should first guarantee that each person can get an average of 7 qian of meat, fish, eggs, animal fat, and vegetable oil, 1 liang of bean products, and 1.1 jin of vegetable a day; third, do a good job of building the grass-roots levels and solve practical problems for the Army; and fourth, straighten out party style, strengthen ideological and political work, resist and eliminate unhealthy tendencies, and never take advantage of being in a favored position.

The aeronautical engineering conference pointed out that in light of the large numbers of outdated combat aircraft, accumulated quality problems of new aircraft, and short supply of air materials in 1985, the aeronautical engineering personnel made great efforts to strengthen scientific management over maintenance, carried out deepgoing reforms in the engineering field, and fulfilled the task of combat readiness training. The conference also set the following main tasks for 1986: First, continue to do a good job of reform in the engineering field focused on improving the quality of maintenance and achieving better results; second, strengthen the training of maintenance personnel and improve the quality of the ranks of maintenance cadres; and third, conduct ideological and political work well among the maintencance personnel so as to arouse their initiative, enhance their sense of responsibility, and ensure flight safety.

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HUAN XIANG ON WORLD POLITICAL, ECONOMIC SITUATION

HK210953 Shanghai SHIJIE JINGJI DAOBAO in Chinese 6 Jan 86 pp 1, 4

[Report by correspondent Shi Ling: "Huan Xiang: "An Analysis of the World Political and Economic Environment Facing China's 5-Year Plan" -- first three paragraphs are SHIJIE JINGJI DAOBAO introduction]

[Text] East-West Relations Will Develop Peacefully

In the past year, the greatest change in the situation in international relations has been the change in East-West relations. The Geneva meeting between Ronald Reagan and Mikhail Gorbachev held 6 weeks ago signaled that U.S.-Soviet relations had entered a stage of a limited easing of tension, in which both sides were working for new rules of competition in their confrontation. The new situation of confrontation and dialogue between the United States and the Soviet Union will promote a rapprochement between Eastern and Western countries and the continued development of a multipolar world.

It Will Be Difficult for the West To Get Out of the Stage of Slow Economic Growth

Western countries are all beset by four major problems: readjustment of economic policies, production structure, and international economic relations; trade protectionism; debt; and the international monetary system. Before the end of this century it will be difficult for the economy of the capitalist world to get out of the stage of slow growth. The average growth rate in the 5 years ahead will be about 3 percent.

Handicapped By Foreign and Domestic Conditions, the Soviet Reforms Have Great Limitations

With Gorbachev the master of the Kremlin, there has been a turn for the better in Moscow's economic reforms and a new program of reform has been mapped out. However, handicapped by various foreign and domestic conditions, the economic reforms have great limitations. In theoretical terms, there have been no significant breakthroughs in this regard. The economic reforms still need a long process of practice and exploration.

Beginning in 1986, China's economy enters the period of the Seventh 5-Year Plan. The 5 years of the plan are crucial for laying a solid foundation for China's economic take-off in the nineties. During the Seventh 5-Year Plan period, what world political and economic environment will face China's economic construction? On the occasion of ringing out the old year and ringing in the new, I interviewed in Beijing Huan Xiang, a famous specialist in international affairs and director of the International Studies Center under the State Council, and put to him the above question. Part of what the veteran specialist said follows:

Huan Xiang said: In the world political and economic situation in 1985, new developments were quite numerous, and will have a relatively profound impact on the situation in the coming 5 years. It can be said that world politics and economy in the years ahead are confronting a new era.

First, let us discuss the world political situation. The greatest change in world political relations over the last 1 or 2 years was the change in East-West relations; to be more specific, the change in U.S.-Soviet relations. Its main manifestation was the U.S.-Soviet summit held in November 1985. Comment on the summit varied from country to country. As I see it, the U.S.-Soviet summit talks have produced considerable results.

These are manifested in the restoration of U.S.-Soviet dialogue, which had been suspended for 6 years, and the ending of the strained and deadlocked situation in U.S.-Soviet relations, rather than the conclusion of an arms reduction agreement. It is unrealistic, in fact, to conclude any disarmament agreement through summit talks.

Judging from the present situation, the issue of disarmament is not merely a tactical issue but also an economic issue, and one of military strategy. Solving the problem of disarmament will take time. Therefore, we must not regard these U.S.-Soviet summit talks as fruitless just because no disarmament agreement was concluded. On the contrary, we must recognize the decisions made at the summit, which mainly involved three things: that the American and Soviet leaders would visit each other's countries the following year; that dialogue between the two countries on bilateral affairs should be intensified on a regular basis; and that U.S.-Soviet relations should be restored to the state they were in prior to their becoming strained, political and cultural exchanges should be strengthened, close economic and trade ties should be expanded, and economic sanctions imposed on each other should be lifted. All this indicates that U.S.-Soviet relations have relaxed to a certain extent. The relaxation is not merely in atmosphere, but has substantial content in which both the United States and the Soviet Union have begun to seek new rules for mutual competition through dialogue.

In the past, the competition between the United States and the Soviet Union was confined to rules set by the Yalta Agreement and two other agreements on nuclear weapons, which were violated 6 years ago. At present the two countries are working for a new set of rules for competition. Therefore, it can be said that U.S.-Soviet relations are now in a stage of seeking new competition rules. Present U.S.-Soviet relations can be summed up in two sentences: The previous, exclusively confrontational pattern, has changed to one of both confrontation and dialogue, with the stress on confrontation. And, as confrontation holds a dominant position, new rules concerning their confrontation should be worked out and both sides should abide by the new rules if they reach a confrontation. This indicates that U.S.-Soviet relations have entered a new stage of a limited easing of tension. The most important question at this stage is whether or not the United States and the Soviet Union can work out new competition rules calling for some compromise from both sides. By my estimate, to do so will take 2 or 3 years or longer.

The relationship of confrontation and dialogue between the United States and the Soviet Union, formed at the summit, will promote the development of world multipolarization. The confrontation between the United States and the Soviet Union, which means neither side is likely to discard the general objective of strategic contention, determines that neither side will make any major compromises on the question of strategic contention or maintain a strategic balance by weakening their own superiority; and also determines that both sides will have to seek support from their allies, because the United States cannot afford by itself to undertake such a big program as star wars and it will have to mobilize its allies to participate in it. This will make it impossible for the United States to maintain a world situation characterized by bipolar rule. On the other hand, the United States and the Soviet Union are trying to seek an easing of tension through dialogue. This will certainly encourage Eastern and Western countries to come closer to one another and make it impossible for the United States and the Soviet Union to preserve their bipolar rule. For this reason, I hold that in the years ahead there will be no "regression" to a bipolar world and, instead, a multipolar world will continue to develop.

Another achievement of the U.S.-Soviet summit, that is, that both sides expressed their willingness to seek new rules for preventing a tense situation from developing, will have some influence in alleviating and solving acute regional problems in the world. However, it will be very difficult to really find such limiting rules.

Judging from the developments mentioned above, although there are still a lot of problems in the world political situation, U.S. - Soviet relations and East-West relations in the coming 5 years will develop peacefully and there are unlikely to be any serious, tense situation or major wars. This will provide a sound world political environment for the construction of China and other countries.

Next, let us discuss the world economic situation. I shall divide the world into two major parts, the East and the West, and would like to discuss here mainly the United States and the Soviet Union.

The Western Economy Will Grow at a Slow Rate in the Coming 5 Years

How will the economy of the Western capitalist world actually develop? In my opinion generally speaking, the whole capitalist world has not, so far, moved out of the recession stage of a long economic cycle. The economy of the capitalist world began entering the stage of long-cycle development in the middle of the fifties. In the 2 decades from then until 1973, the economy of the whole capitalist world moved ahead fairly rapidly, with the outbreak of an economic crisis in 1973, the capitalist world's economy began to enter the stage of long-cycle recession. That situation has continued to this day. By my estimate, it will be difficult for the economy of the capitalist world to leave this stage before the turn of the century. In the 5 years ahead, the economy of the capitalist world will develop at a slow rate, averaging about 3 percent. The economic growth rates of most capitalist countries will be 2 or 3 percent. The economies of Japan and West Germany will expand at a rate of no more that 4 to 5 percent at best. If the United States achieves an economic growth rate of 3 or 4 percent, it will be considered quite good.

The economic situation of the United States is not fine. Two years ago the United States pursued an economic policy of financial relaxation and tightened money supply. On the one hand, it stimulated production by expanding demand and, on the other, it absorbed foreign investment by tightening financial credit, which in turn forced the exchange rate of the U.S. dollar and interest rates up to develop production. Such a practice was feasible because the United States had fairly solid economic, political, and military strength, enjoyed relative political stability, and thus won the trust of Western countries in its dollar. Consequently, large amounts of Western capital flowed into the United States, which benefited from the capital flow. However, high interest rates and the high exchange rate of a strong dollar have significantly affected the export of American goods and facilitated the import of foreign goods, causing hugh trade deficits with other countries and hampering the healthy development of the U.S. economy. This state of affairs cannot be changed overnight. For a period of time in the future, the problem of the U.S. dollar will remain the most important issue in the U.S. economy.

Taken as a whole, the Western economy is confronted with four main problems. The first is economic readjustment, of which readjustment of policies comes first. This is particularly the case with the United States. It should make policy readjustments on its high interest rates and high dollar exchange rate. How should such policy readjustments be made? First, all Western countries favor the use of the "soft landing" method, that is, reducing the rate of exchange between the U.S. dollar and Western countries' currencies by 20 percent over about 5 years. This method is definitely no solution to the problem of a high dollar exchange rate. It is very difficult to reduce the U.S. dollar exchange rate by 20 percent. Second, they favor readjustment of this production structure, which is aimed at restricting the development of traditional industries and developing new, rising industries.

Third, they favor readjustment of international economic relations. Since existing international economic relations have changed, and some new developments have emerged, they urgently need to be readjusted.

The second problem is trade protectionism. Trade protectionism will become more and more serious in the years ahead. Especially in the United States, because of the huge U.S. trade deficits with other countries, trade protectionist feeling will run higher. Trade protectionism is in contradiction to the international economic order established after World War II. This problem is hard to solve.

The "Baker" Package, an Utterly Inadequate Measure

The third problem is that of debt. The problem of debt involves both developing and developed countries. It has made the capitalist world realize the actual and potential dangers in regard to the problem. Over the last few years, measures taken to solve the problem of debt have failed to produce tangible results. The United States has now put forth the "Baker" package. However, being an utterly inadequate measure, the package will solve no problems. A fundamental solution of the debt problem is not very likely for quite some time in the future.

The fourth problem is the international monetary system. As an international currency, the U.S. dollar fluctuates in value. There is a potential for crises of currency fluctuations in international money markets. At present, the value of the U.S. dollar is high, but how long can it last? The value of the U.S. dollar will fall sooner or later. To avoid having the international money markets hit by drastic currency fluctuations, a currency with a stable exchange rate is needed. This is the long-term plan. However, there has been no good solution so far.

As far as Soviet economic reforms are concerned, since Gorbachev took office, there has been a new turn for the better.

Beset with difficulties at home and abroad, the Soviet Union has arrived at a new understanding that economic reform is the only effective way of rejuvenating the domestic economy, enhancing its economic strength, and contending with the United States for world hegemony. At present, the Soviet Union is making preparations for its economic reform, including the formulation of a new party program, with economic reform as its main content.

The Soviet Reforms Have Relatively Great Limitations

What are the prospects for Soviet economic reforms? As I see it, that is hard to say at present, because in terms of the present situation, the Soviet economic reforms have great limitations. First, the reforms are handicapped by domestic conditions. Since Gorbachev took office, there have been rapid personnel changes, but compared with his expectations regarding personnel reform, there is still a long way to go. Second, the reforms are handicapped by international conditions. Reform requires money, but the Soviet Union cannot ignore the "Strategic Defense Initiative" (called SDI for short) put forth by the United States. Moreover, to launch "its own Strategic Defense Initiative" also requires large amounts of funds. This will inevitably cause a strain on the funds available for reform. Third, in terms of theory, there have been no significant breakthroughs in reform. In the course of reform, the centralized planning management system is still adhered to and the economic factors of the market are excluded. This has hampered progress.

Although the Soviet Union has worked out a new reform program, this program is complex and faced with difficulties, so its economic reforms will still need a long process of practice and exploration. In the coming 5 years, Soviet economic reforms will not score achievements as great as expected. We must keep this point in mind.

Finally, Huan Xiang said: At present, all countries in the world are readjusting their economies. Although they differ in their choice of road, and in the methods they use, they have something in common; that is, laying stress on intensive economic development and on scientific and technological development. In the years ahead, scientific and technological development will become the most important factor deciding economic development. The role of science and technology has grown to the extent that they can promote economic and political changes in a country. In the next 5 years, every country in the world will gradually attach primary importance to scientific and technological development and take the road of intensive economic development. This is the economic and political trend of development of the countries of the present-day world, a trend that indicates a new orientation.

SRV, USSR AGREE TO INCREASE BILATERAL TRADE

OW121810 Beijing XINHUA in English 1526 GMT 12 Jan 86

[Text] Hanoi, January 12 (XINHUA) -- Vietnam and the Soviet Union agreed last Friday to boost bilateral trade in a bid to help Vietnam develop energy production.

Newspapers reported today that the Vietnamese vice chairman of the Council of Ministers Vo Van Kiet and his Soviet counterpart Nikolay Talyzin signed a five-year agreement on January 10 after their recent meeting in Hanoi. The 1986-90 agreement on bilateral economic cooperation, according to a communique published by the local press, predicts that trade between the two countries will be 1.7 times what it is today. The Soviet Union will help Vietnam develop production of petroleum, coal and electricity, while Vietnam, in turn, will provide the Soviet Union with more agricultural and light industrial products, including vegetables, fruit, tea, coffee and rubber, the communique said.

Diplomatic sources here believe that Moscow has agreed to double its aid to Hanoi with an offer of another 8 billion rubles in the next five years to maintain Vietnam's fragile economy crippled by the country's swelling defense budget. Meanwhile, Vietnam's party leader Le Duan has clearly stressed his country's desire for Soviet help. Vietnam needs Soviet assistance, said the general secretary yesterday while receiving visiting economy planning officials from the Council of Mutual Economic Assistance (Comecon).

WRITERS INTERVIEWED BY OVERSEAS CHINESE DAILY

HK220337 Beijing ZHONGGUO XINWEN SHE in Chinese 0747 GMT 20 Jan 86

[Text] Washington, 19 Jan (ZHONGGUO XINWEN SHE) -- A report from New York said that Chinese writers including Wang Meng, Lu Wenfu, Huang Qingyun, Luo Luo, and Jin Jianfan, who were attending the 48th International Writers' Conference, stated their view on matters of concern to people abroad at a symposium sponsored by the U.S. paper, the OVERSEAS CHINESE DAILY on 18 January.

Question: The foreign press says that the Chinese authorities concerned criticize or forbid some literature and art works and dramas. Is that true?

Lu Wenfu: Some people always take the old views of before the "Cultural Revolution" to look at the new changes in China's literature and art circles, and they interpret some different opinions on literature and art works as "criticism." There is a "time difference" in the minds of these people. It is already daytime in China, but some people abroad think that it is still night time. It will not do to see things as static.

Once some foreign news agencies reported that Zhang Xianliang's novel "The Other Half of Man Is Woman" was criticized in China. The fact is that BEIJING RIBAO just carried a 400-word reader's letter airing different views on that novel. At that time, WENYI BAO carried two articles in the same issue with different opinions. This was a normal discussion with different views in the artistic sphere, having nothing to do with politics.

Wang Meng: Feng Jicai and Zhang Xianliang are bosom friends. They are CPPCC members, but Feng Jicai also has different views on this novel. Can we say that Feng Jicai criticized Zhang Xianliang?

Question: Some people say that the Chinese Government examines the publication of every new book. Is this true?

Wang Meng: If the Chinese Government were to examine all works before their publication, it would be very difficult to solve the technical problem, let alone other problems. Now some 1,000 short stories, 100 medium-length novels, and 10 novels are published every month. If the Chinese Government were to examine them, it would probably become a readers' club. How could it find time for economic construction and diplomatic activities?

Question: Publication departments in the country have stopped publishing martial arts fiction this year. Why have they done this?

Luo Luo: Like other literature and art works, martial arts fiction may be published and circulated in China. In recent years, however, martial arts fiction ran rampant. This has not only brought about a shortage of paper and affected the printing of primary and middle school textbooks, but also caused the large-scale stockpiling of other works in Xinhua bookstores. So it is necessary to stop the publication of martial arts fiction for a time.

Wang Meng: In recent years, some problems have really emerged in the country's publication circles. Some publication departments pay attention only to the sales of works to the neglect of their contents. Others only look at the title of a work and contend for printing and publishing at the sight of, for example, the "Blood of an Affectionate Couple." Once a bookstore made a funny mistake. Originally, the bookstore was not interested in the "Collection of Ai Qing's Poems." Later it placed a large order for it as it mistook it for the "Collection of Love Poems."

As a matter of fact, most martial arts fiction does not have a high artistic value. I also read them, but just to while away the time. I believe that martial arts fiction will go out of vogue with the improvement of the nation's cultural level and aesthetic judgment.

Question: Hu Feng died nearly 6 months ago. Why is it that his memorial meeting was just recently held?

Luo Luo, who was once branded as a "Hu Feng element:" After Hu Feng's death, a ceremony was held to pay last respects to his remains, in which Hu Feng's relatives and friends took part. His memorial meeting was just recently held because his family did not agree with the wording of the memorial speech. Hu Feng was referred to as an outstanding literature and art critic in the original wording. Then it was changed to a "revolutionary fighter in China's modern literature and art," giving prominence to the word "revolutionary." This is an appropriate assessment. Now Hu Feng's memoirs and other works are being published and three volumes of his literature and art critiques have been published. Hu Feng's position in China's modern literature has been published. Hu Feng's position in China's modern literature has been affirmed.

Question: We are told that the mainland forbids the description of "sex."

Wang Meng: As for describing "sex," this is not a problem of whether the government forbids it, but a problem involving Chinese traditional concepts. Some writers endure great pressure when writing articles on "sex." The pressure does not come from Deng Xiaoping or Hu Yaobang, but from society and public opinion. I know China and writers well. The development of Chinese literature will, of course, not be smooth sailing.

USSR WARNED TO KEEP HANDS OFF PDRY WAR

OW240818 Beijing XINHUA in English 0752 GMT 24 Jan 86

[Text] Washington, January 24 (XINHUA) -- The U.S. Government, through its touch with the Soviet Union on the situation in Democratic Yemen, has warned the latter not to intervene in the civil war there, the State Department said today. Bernard Kalb, State Department spokesman, said that the United States has been in touch with the Soviet Union over the matter, and that in the U.S. view, there should be no military intervention in the country.

U.S. officials claimed that reports from Democratic Yemen had indicated that the Soviets were getting involved in the war there. Kalb also said that the United States was interested in the outcome of the fighting because of the location of the country. Democratic Yemen, located on the southern tip of the Arabian Peninsula at the mouth of the Red Sea, has no diplomatic relations with the United States. Reports from Moscow said today that the Soviet Union told foreign embassies there that it would not intervene in the fighting in Democratic Yemen.

'WAR PLANES' TO OPERATE OFF LIBYAN COAST

OW240224 Beijing XINHUA in English 0210 GMT 24 Jan 86

[Text] Washington, January 23 (XINHUA) -- Fighter planes from the U.S. Sixth Fleet will conduct flight operations off the Libyan coast between January 24 and 31, according to local press reports today. Reports cited Pentagon officials has saying the flight operations, conducted by warplanes from the U.S. carriers Coral Sea and Saratoga in international airspace over the Mediterranean Sea, "are sending Libya a strong message" that the United States will act against terrorism and "to test Libyan reaction."

Whether the aircraft carriers enter the Gulf of Sidra, which Libya claims as its terroritorial waters, depends on Libya's reaction to the U.S. presence, the officials said.

In August 1981, two U.S. fighters shot down two Soviet-made Libyan warplanes over the Gulf of Sidra. The incident led to the severing of diplomatic relations between the two countries. Tensions off the Libyan coast have increased since the two U.S. aircraft carriers entered the central Mediterranean earlier this month under the pretext that Libya was involved in the terrorist attacks on Rome and Vienna airports on December 27 last year. The United States has since threatened several times that it has not ruled out military action against Libya. "The carrier task forces were prepared for any confrontation with Libyan forces in the event Libyan warplanes challenge American aircraft over the Mediterranean or the Gulf of Sidra." U.S. officials said today.

CRUISE MISSILE TESTS CONDUCTED OVER CANADA

OW230912 Beijing XINHUA in English 0726 GMT 23 Jan 86

[Text] Ottawa, January 22 (XINHUA) -- The United States today conducted the first of four cruise missile tests scheduled this winter over northwestern Canada. Today's test of the unarmed missile was the fifth test over Canada under a five-year agreement signed in 1983 between Canada and the United States allowing up to six tests a year. The U.S. military chose northern Canada for the tests because it resembles the terrain of Siberia of the Soviet Union.

The missiles, launched from a B-52 bomber over the Beaufort Sea at 7:20 this morning, flew up the Mackenzie River, over the northeast corner of British Columbia, across northern Alberta and landed at an air weapons' test range north of Cold Lake, Alberta, four hours later. Canadian F-18 fighters were used to intercept the cruise missile. About 12 members from the Greenpeace organization demonstrated near the test range and four were arrested on a charge of blocking traffic. The test was delayed by one day due to mechanical problems in the carrier aircraft.

LI PENG MEETS CONGRESSIONAL DELEGATION

OW231242 Beijing XINHUA in English 1231 GMT 23 Jan 86

[Text] Beijing, January 23 (XINHUA) -- Vice Premier Li Peng met a U.S. congressional delegation here this afternoon. The delegation is led by Robert Roe, chairman of the Water Resources Sub-committee under the Public Works and Transportation Committee of the U.S. House of Representatives.

The visitors arrived here January 21 as guests of the Chinese people's Institute of Foreign Affairs.

RENMIN RIBAO VIEWS SRV ECONOMIC DIFFICULTIES

HK220647 Beijing RENMIN RIBAO in Chinese 18 Jan 86 p 6

[Article by Kang Hengzhen: "The War of Aggression Aggravates the Vicious Cycle in the Vietnamese Economy"]

[Text] Vietnam has occupied Cambodia for 7 years. People cannot help asking: Why was Vietnam, a small country whose economic strength has been seriously weakened by 20-odd years of war, wantonly pursued militarism and persisted in carrying out aggression and expansion? Does it really have a powerful economic pillar?

At the end of the war of resistance against the United States, the Vietnamese economy was weak. With the cities, industry, transportation, and agriculture devastated; factories operating below capacity; traffic suspended; and farmland lying waste, the people lived in poverty. They urgently needed rest to build up strength. However, the Vietnamese authorities practiced hegemonism in Southeast Asia. They unscrupulously dispatched 200,000 soldiers to invade and occupy Cambodia and pursued a war-time economic policy, thus tying the Vietnamese people to the war chariot and constantly aggravating the national economy. Heavy foreign debt, inflation, and a rampant black market have exacerbated the hardship of the people. Even the CPV Central Committee has had to concede that the current economic situation is very difficult and that the balance has been lost in many fields, particularly grain, energy, materials, finance, and currency.

There is an insoluble contradiction in the Vietnamese war of aggression between the rapidly expanding war and the deteriorating national economy. Vietnam's various armed forces are 2 million strong, including an Army of more than 1 million, and account for one-fifteenth of the population. This is rare in the contemporary world. Moreover, it has more than 200,000 soldiers fighting in Cambodia. All this has incurred huge military expenditures and seriously weakened Vietnam's material foundation. To meet the growing need for military consumer goods, the Vietnamese authorities have wantonly embezzled part of the means of subsistance that should have been issued to the residents. This has resulted in a serious shortage of goods and soaring prices. Meanwhile, they have desperately reduced social production accumulation funds and increased national defense outlay. Consequently, expanded production can not be regularly conducted in numerous localities and units. They have also conscripted into the Army outstanding technicians and laborers and even forced women and 16- or 17-year-old youths, who have not finished middle school education, to serve as cannon fodder, thus directly destroying the human resources for developing the national economy. The deteriorating economic situation has also resulted in the withdrawal of foreign businessmen and capital from Vietnam. Some justice-upholding nations have suspended trade contacts with, and economic and technological aid to, Vietnam.

Vietnam is rich in natural resources, such as coal, iron, chromium, zinc, lead, copper, tungsten, gold, and silver. The Hong Gai coalfield is also one of the biggest coalfields in Southeast Asia. However, what with capital shortage and backward technology, for a long time Vietnam has failed to develop and use its mineral resources. The use ratio of equipment in state enterprises is only 50 percent and the workers work less than 5 hours a day. In order to extricate themselves from this difficult situation, the Vietnamese authorities have increasingly leaned toward the Soviet Union and served as a pawn for Soviet hegemonism in Southeast Asia. The Soviet Union has also made use of Vietnam to further infiltrate Indochina. Ever since Vietnam invaded Cambodia, the Soviet Union has considerably increased its aid to Vietnam. Its annual economic and military aid total $1 billion each and sometimes its military aid comes to $1.3 billion. However, this support has failed to alter Vietnam's economic predicament caused by its war of aggression.

Vietnam has never had a department responsibile for the study of advanced military science and the design and manufacture of advanced weapons. The foundation of its military industry is fairly weak and its production capacity is very low. It is still unable to manufacture aircraft, tanks, heavy caliber guns, and other heavy weapons. It can only produce some light weapons and ammunition. However, their quality is poor and the output is small. The contradiction between the underdeveloped military industry and the growing military consumption by the Vietnamese troops is another insoluble one in the Vietnamese war of aggression. The Vietnamese Army chiefly relies on the Soviet Union to upgrade and replenish its weapons and equipment. The huge debts and foreign exchange payments have imposed a heavy burden on the national economy, which is on the brink of collapse, and aggravated the vicious cycle of the national economy.

In its war of aggression, Vietnam is also confronted with the contradiction between the growing grain consumption and the increasingly shrinking agriculture. The long-drawn-out war waged on a large scale has drastically increased grain consumption. Although the Red River Delta in the north and the Mekong Delta in the south are provided with favorable natural conditions, the conscription of able-bodied agricultural laborers, the shortage of agricultural capital, backward technology, and poor-quality machinery and equipment make it difficult to develop production. The greatest problem faced by Vietnam in its war of aggression is food. The grain shortage has also seriously affected the daily life of the armed forces. A Vietnamese Army classified document disclosed: "The main problem in Vietnam's current national defense is that the economic difficulties of the state, particularly the shortage of grain, have affected the daily life of the troops. Many cadres and soldiers are not contented with performing military service and there is a serious desertion phenomenon. A Vietnamese prisoner admitted: "I have never had enough to eat since I joined the Army. Now that I have been taken prisoner, I can eat my fill. This is really worth it."

By occupying Cambodia for a long time and constantly intruding into neighboring states, the Vietnamese authorities have pushed their economy into an inextricable position. With all the military aid, this is nothing short of "drinking posion to quench one's thirst."

HANOI'S DRY SEASON OFFENSIVE IN CAMBODIA DELAYED

OW231218 Beijing XINHUA in English 1138 GMT 23 Jan 86

[Text] Bangkok, January 23 (XINHUA) -- A rift between Vietnamese and Heng Samrin troops has delayed Hanoi's dry-season offensive against Kampuchean resistance forces this year, spokesman for the Thai Armed Forces Supreme Command Lt-General Wichit Bunyawat told the press today. A bitter dispute erupted recently between Heng Samrin in troops in Ko Kong and Vietnam's Division 339, the spokesman said. He added that the angry Heng Samrin soldiers later seized Vietnamese tanks and this prompted Hanoi to remove all Heng Samrin forces guarding Phnom Penh and replace them with 13,000 Vietnamese troops.

Vietnam's dry-season offensive normally begins in November. The spokesman also mentioned other factors hampering the offensive such as the low morale of Vietnamese and Heng Samrin forces and the poor economic conditions in Vietnam.

DK RADIO APPEALS TO SOVIETS ON WAR IN CAMBODIA

OW161014 Beijing XINHUA in English 0852 GMT 16 Jan 86

[Text] Beijing, January 16 (XINHUA) -- Radio Democratic Kampuchea today appeals to the Soviet people to help halt the Soviet backing of Vietnam in its war in Kampuchea and bring about an early solution to the Kampuchea problem.

The call was made in an open letter sent on January 14 in the name of the Kampuchean people to the Soviet people. The letter hopes the Soviet Union will stop any support, especially military assistance, to Vietnam so that the Kampuchean people can no longer suffer from the war. The letter says the people of the two countries have no dispute whatsoever and the Soviet people, as the people in the rest of the world, suffered from an aggressive war. Therefore, it adds, the Kampuchean people hope that the Soviet Union can stop its military supplies to Vietnam, which have not only brought calamities to the Kampuchean and Vietnamese people but put a heavy load on the back of the Soviet people and created a growing tension in Southeast Asia as well.

If the Soviet Union stops its supplies for Vietnam's war of aggression in Kampuchea, the letter says, the Kampuchea problem can be resolved immediately and the Kampuchean people can live in peace again and concentrate their energies on the rebuilding of their country. The letter says in conclusion that if the Soviet Government stops backing Vietnam, the Kampuchean people will request the Democratic Kampuchean Coalition Government to set up friendly relations with the Soviet Union in the diplomatic, economic, trade, cultural, scientific and technological fields and the Kampuchean people will have friendly contacts with the Soviet people in various forms.

CAMBODIA'S SIHANOUK ENDS GUANGZHOU VISIT

OW221844 Beijing XINHUA in English 1833 GMT 22 Jan 86

[Text] Guangzhou, January 22 (XINHUA) -- Samdech Norodom Sihanouk, president of Democratic Kampuchea, ended his visit to Guangzhou and Shenzhen, and left by water for Zhuhai on the third leg of his tour of south China's Guangdong Province. Sihanouk arrived here from Beijing January 15. During his stay in Guangzhou and Shenzhen, the president toured a film studio and joint venture, and the Shekou industrial zone. At the Huanan Botanical Garden, Sihanouk planted a tree imported from Southeast Asia. He described the Shenzhen Special Economic Zone as an illustration of the success of China's open policy.

MORE RICE, CORN TO BE IMPORTED FROM THAILAND

OW230946 Beijing XINHUA in English 0737 GMT 23 Jan 86

[Text] Bangkok, January 23 (XINHUA) -- China and Thailand signed a trade agreement here this evening under which China will import an additional 80,000 tons of rice and 150,000 tons of maize from Thailand in 1986. Under an earlier agreement between the two countries, China was to import 120,000 tons of rice from Thailand this year. The new agreement was concluded to help solve Thailand's present difficulties in rice export.

The additional rice import by China demonstrated the intimate friendship between the peoples of the two countries, said Deputy Prime Minister and Foreign Affairs Minister Sitthi Sawetsila while attending the signing ceremony. Cao Wantong, general director of the China National Cereal and Oil Export and Import Company, and Thai Deputy Commerce Minister Phairot Chaiyaphon signed the agreement.

PHILIPPINES' AQUINO OUTLINES SOCIAL PLATFORM

OW161846 Beijing XINHUA in English 1834 GMT 16 Jan 86

[Text] Manila, January 16 (XINHUA) -- Opposition presidential candidate Corazon Aquino today said that if elected president of the Philippines she would work for efficient utilization and equitable sharing of the ownership and benefits of land and try to solve the insurgency problem through dialogues.

Mrs. Aquino made the pledge while outlining a social policy for the country in Davao City, southern Mindanao in the course of her campaign in the country's second biggest island.

She reiterated today her land policy that land must first of all be used for food production to sustain the basic needs of the people. Referring to internal conflicts, she reaffirmed that if elected president, she would "immediately declare a cease-fire with the rebels and release political prisoners and thereafter enter into dialogue with the insurgents." She promised to work for the repeal of repressive laws and for the dismantling of economic structures which keep workers in a state of quasi-slavery. Workers comprise 30 percent of the country's population.

This is the opposition presidential aspirant's second major policy speech. The first one was made on January 6 when she spoke to a large group of businessmen and professionals in Metro Manila on her national economic recovery program.

Outlines Third Policy Program

OW231737 Beijing XINHUA in English 1622 GMT 23 Jan 86

[Text] Manila, January 23 (XINHUA) -- Presidential aspirant Corazon Aquino emerged today with her third policy program oriented to dismantle the 20-year-old Marcos administration. Speaking before the joint Rotary Clubs of Metro-Manila at the Manila Hotel, Mrs. Aquino said her program will gear the country toward "genuine democracy" through what she called simple and straightforward solutions -- to put an end to power concentration in one man, to guard against abuse and misuse of power and to punish misdeeds.

This is Mrs. Aquino's third policy program since her January 6 economic plan and January 16 social platform. The 52-year-old presidential candidate, widow of the late opposition leader Benigno Aquino who was murdered in August 1983 upon his arrival from the U.S., is running against President Ferdinand Marcos in the forthcoming presidential election scheduled for February 7.

Mrs. Aquino refuted Marcos' accusation that she is wavering on Amendment No. 6 of the constitution which authorizes the president to issue any decree he deems necessary. The bill must be eliminated, she said, adding however, that owing to the fact that the National Assembly will still be dominated by the ruling New Society Movement under any new leadership, she will be forced to use it to protect the people. The power will be used "only as a last resort and only to destroy itself," Mrs. Aquino asserted.

On national reconciliation and insurgency, Corazon said she will ask for a six-month ceasefire to redress the "legitimate grievances" of those who have resorted to armed struggle. General amnesty will be granted to all political detainees and "offenders who forswear the use of violence against the state," she added. The opposition candidate also promised that the new leadership, if elected, will try its best to eliminate graft and corruption. She said the issue of hidden wealth will not be allowed to die and it will be vigorously pursued by an investigating commission. Mrs. Aquino also reaffirmed that she would immediately set in motion process of retiring all over-staying generals upon her assumption of office.

BEIJING RADIO ON AFGHANISTAN PROBLEM, CONCLUSION

OW231307 Beijing Domestic Service in Mandarin 1150 GMT 17 Jan 86

["International Current Events" program; third and last of series on Afghanistan: "How To Fairly and Rationally Solve the Afghan Issue?"]

[Text] The Afghan issue is a matter of concern for the whole world. The invasion and occupation of Afghanistan by the Soviet Union not only trampled underfoot the independence and sovereignty of this nation and its status as a nonaligned country, and brought about unprecedented misfortune to the Afghan people, but also poses a serious threat to its neighbors, Pakistan, Iran, and China. Moreover, the Soviet move also poses a serious threat to peace in the South Asian region and in Asia as a whole. Therefore, people all over the world hope that the Afghan issue will be solved as soon as possible.

The crux of the Afghan issue is crystal clear: the invasion and occupation of Afghanistan by the Soviet Union. The key to solving the Afghan issue is the immediate and unconditional withdrawal of all Soviet troops from Afghanistan, as demanded in various resolutions of the UN General Assembly. Six years have passed since the Soviet Union invaded Afghanistan, but it has failed to subjugate the Afghan people. On the contrary, it has been bogged down in an inextricable mire. Internationally, it has become unpopular and isolated. The occupation of Afghanistan has become a heavy burden for the Soviet Union. An Afghan public figure commented that Afghanistan is like a bone stuck in the throat of the Soviet Union. While it cannot swallow the bone, it also refuses to spit it out, and the experience is, of course, hard to bear.

Under the circumstances, the best honorable way out for the Soviet Union is to withdraw its troops from Afghanistan. There is no other way.

To extricate itself from the mire, the Soviet Union, while stepping up the encirclement and suppression of the Afghan guerrillas, has indicated willingness to seek a political solution to the Afghan issue. The so-called political solution put forward by the Soviet Union does not mean its voluntary, immediate withdrawal of troops from Afghanistan. What it proposed is known as "guarantees before troop withdrawal." The Soviet Union said that it will withdraw from Afghanistan only after the international community has guaranteed an end to interference in Afghanistan's internal affairs by foreign forces.

The day before yesterday, in our talk on why the Soviet Union invaded Afghanistan, we said that, to provide a pretext for its invasion, the Soviet Union fabricated the groundless charge that foreign forces were interfering in Afghanistan's internal affairs. By proposing "guarantees before troop withdrawal," the Soviet Union is clearly persisting in this groundless allegation. This shows that it has not the least sincerity in seeking a political solution to the Afghan issue. Since the Soviet Union put forward its proposal for a political solution, the world has been focusing attention on this issue and is watching every movement the Soviet Union makes. In the indirect talks between Pakistan and the Karmal regime of Afghanistan, the main topic discussed was how to politically solve the issue. But the Soviet Union directed the regime's representatives to set up obstacles to the solution of this problem. This shows the real intentions of the Soviet Union.

Presided over by Cordovez, personal representative of the UN secretary general, six rounds of indirect talks have been held in Geneva between Pakistan and the Karmal regime. "Indirect talks" means that representatives of both sides sat in separate conference rooms and spoke through Cordovez.

Pakistan is Afghanistan's eastern neighbor. Since the Soviet Union invaded Afganistan, Pakistan has been subjected to serious threats, and its airspace and border areas have been frequently violated and attacked. Meanwhile, Pakistan has, out of humanitarian considerations, accepted three to four million Afghan refugees who fled their homeland, and this has become a heavy financial burden. It is natural for Pakistan to be concerned about a political solution to the Afghan issue. Adhering to its principled stand from beginning to end, the Pakistan side has demanded that the Afghan issue be solved in the spirit of the relevant UN resolutions and has firmly rejected direct talks with the Karmal regime. This is because, if Pakistan agreed to hold direct talks with the regime, it would mean that it actually recognizes the legitimacy of this regime and, therefore, recognizes the legitimacy of the Soviet invasion of Afghanistan.

However, the representatives of the Karmal regime, obeying orders from the Soviet Union, resorted to tricks to set up obstacles to the crucial question of Soviet withdrawal. The two sides held the first two rounds of indirect talks in June 1982 and 1983. During the period from June 1982 to June 1983, the Soviet official media issued statements or published articles reiterating the proposal demanding a guarantee before troop withdrawal. Adhering to this stance, the representatives of the Karmal regime also noted that the withdrawal of Soviet troops from Afghanistan depended on whether an end to foreign interference in Afghanistan's internal affairs could be effectively guaranteed. This was, of course rejected by the Pakistan side.

Since then, the Soviet Union has adopted a tougher attitude. It has gone so far as to say that the question of troop withdrawal is a matter concerning the Soviet Union and Afghanistan and that no other country will be permitted to discuss the matter. During the third round of indirect talks held in August 1984, the representatives of the Karmal regime still refused to discuss the question of Soviet troop withdrawal.

The two sides held the fourth, fifth, and sixth rounds of indirect talks in 1985. During the talks, the Soviet Union changed its tough attitude on the question of troop withdrawal. It directed the representatives of the Karmal regime to accept negotiations on the question of troop withdrawal, but the Karmal side set up new obstacles by calling for face-to-face talks with the Pakistan side to discuss the question of Soviet troop withdrawal, an attempt to make Pakistan recognize the Karmal regime. This was, of course, again rejected by the Pakistani side.

It can be concluded from the six rounds of indirect talks that, although its plight in Afghanistan is worsening, the Soviet Union has no plans to withdraw its troops. Since the recent U.S.-USSR summit, there have been reports that the Soviet Union has indicated its willingness to find a political solution to the Afghan issue. Is this true? World public opinion has once again pointed out that the withdrawal of Soviet troops from Afghanistan is the key to solving the Afghan issue. If the Soviet Union sincerely wishes to find a political solution, it should work out a timetable for troop withdrawal at an early date.

China and the majority of countries of the world have invariably advocated a political solution. To politically solve the Afghan issue, the relevant UN resolutions must be thoroughly implemented; Soviet troops must be unconditionally withdrawn from Afghanistan so as to restore to Afghanistan its independence, sovereignty, and its status as a nonaligned nation and to allow the Afghan people to solve their own problems without foreign interference; and the honorable and safe return of Afghan refugees to their homeland must be ensured. This is the only fair and rational way to solve the Afghan issue.

XINHUA VIEWS EFFORTS IN PAKISTAN-INDIA RELATIONS

OW201939 Beijing XINHUA in English 1517 GMT 20 Jan 86

["Round-up: Improving Pak-Indian Relations" -- XINHUA headline]

[Text] Islamabad, January 20 (XINHUA) -- The frequent official contacts between Pakistan and India in recent two weeks have given a new momentum to the normalization of relations between the two countries and have absorbed close public attention. The Pak-Indian relations have had a chequered history of both progresses and setbacks because of deep-rooted mistrust between the two South Asian neighbors.

Addressing a news conference in Islamabad today, visiting Indian Foreign Secretary Bhandari noted that the official discussions between India and Pakistan have reached "a higher level" and entered "a new phase". "Forward steps" are being taken towards their common objective to lay "a sound, stable and durable basis for the normalization of relations." The Indian foreign secretary and his Pakistan counterpart Niaz Naik during their discussions reiterated the resolve of both governments to take confidence-building measures with a view to establishing between them tension-free and good-neighborly ties. They agreed on the need of concluding a comprehensive treaty based on Pakistan's proposal for a no-war pact drafted in September 1981 and India's offer of a peace, friendship and cooperation treaty in March 1982. They will make new formulation for achieving a merged draft to be forwarded to both governments. The development may be regarded as an encouraging effort, though short of a substantial progress, in hammering out an agreed treaty.

There is apparently no difficulty for the foreign secretaries to give formal shape to an accord of not attacking each other's nuclear facilities, as agreed upon by Pakistan President Ziaul Haq and Indian Prime Minister Rajiv Gandhi in New Delhi on December 17, last year. Bhandari's Pakistan visit is preceded by the trips of Indian Finance Minister Viswanath Pratap Singh and Defense Secretary S. K. Bhatnagar here starting on January 8. These major initiatives have been taken as confidence-building measures to help remove long-standing mistrust and misunderstanding between the two countries in pursuance of the agreement during the Zia-Rajiv meeting last December. Indian Finance Minister V. P. Singh's visit here, the first in 25 years, have sought to expand bilateral trade and economic cooperation. Pakistan Finance Minister Mahbubul Haq agreed to allow the private sector to import 42 items of Indian goods which were importable only by the government-run trading corporation of Pakistan in the past. Allaying public concern arising therefrom, Mahbubul Haq assured that national interests shall be safeguarded.

The talks on Siachin Glacier dispute, previously held at local commanders' level, have been upgraded to the defence secretary level. All these contacts have yielded positive results although some problems, including political and economic ones, remain unsolved. The two countries have carried on their dialogues and consultations in an all-round manner, which as Bhandari has put it, would prepare the ground work for and culminate in Indian Prime Minister Rajiv Gandhi's visit to Pakistan.

Now that a new round of successive Pak-Indian official contacts have been conducted and this would be followed by their joint commission's sub-commission meeting early next month and a third session of the ministerial meeting between March and April in Islamabad. Observers here believed that these efforts, made after the first summit of the South Asian Association of Regional Cooperation members in Dhaka in December last year, conform with the aspirations of the two peoples, and contribute to peace, stability and development in the South Asian region.

RENMIN RIBAO ON SOUTH AFRICAN SITUATION

HK210752 Beijing RENMIN RIBAO in Chinese 15 Jan 86 p 6

[Article by Zhongxiong: "Botha's Fraud of 'Internal Consulations' Collapses on Itself"]

[Excerpts] On New Year's Eve, P.W. Botha, head of the South African authorities, promised to work hard in 1986 to promote "the process of internal consultations," but at the same time explained that his government would on no account discard defending "the Christian concept of values and standards for civilization." These veiled words mean never to discard the brutal racial discrimination policy and rule by violence.

As expected, on the very same day as he made the promise, his "Law and Order Minister" Louis Le Grange proclaimed that 74 organizations were prohibited from holding any meetings in 30 administrative regions in the first half of 1986. On New Year's Day, the South African police shot dead three blacks. This seems to serve as an explanation for Botha's "standards for civilization." It is an ill omen for South Africa in the new year.

However, in their struggle, South African blacks are not so frightened as to prostrate themselves under Botha's "civilized" rule. As soon as the new year began, the masses of South African blacks held successive funerals and protest demonstrations, each greater and more violent in strength and impetus. Moreover, what merits attention is that more and more white peoole are joining the blacks in their struggle. This means that in the new year the South African people will wage more vigorous struggles for freedom and human rights. The attempt by Botha's racist regime to win people's hearts and to mitigate the struggle of the blacks by using the new trick of promoting "the process of internal consultations" will be of no avail, like its previous tricky schemes.

It is evident that if Botha really wants to solve South Africa's political problems, he must discard the apartheid policy and practices of brutal suppression and respect the basic rights of the 23.9 million black people before it is too late. First of all, Nelson Mandela should be released. Botha should hold consultations with Mandela and the African National Congress under his leadership on an equal basis. But what has Botha done in this regard?

Prison bars have failed to reduce Mandela's prestige and influence, and the practice of restricting Mrs Mandela's activities to designated areas has failed to prevent her from waging a staunch and unyielding struggle with the black masses. Any threat to Bishop Desmond Tutu would also be futile. Several months ago, Tutu publicly stated: "The terrible bloodshed is unavoidable" and "the patience of the blacks has been stretched to the very limit." He himself has always stood at the front of the struggle against the South African apartheid policy.

The fraud of "internal consulations" concocted by Botha has collapsed on itself. As soon as it came out, the fraud was exposed due to its own ugly record. Before the tide of the struggle waged by the broad masses of blacks, Botha and his kind, who are the most vicious, look more and more and more like dwarfs.

ZIMBABWEAN LEADER PRAISES RELATIONS WITH PRC

OW231134 Beijing XINHUA in English 1042 GMT 23 Jan 86

[Text] Shanghai, January 23 (XINHUA) -- Nolan Makombe, president of Zimbabwe's Senate, said today that his current visit to China had been most rewarding.

He told XINHUA before leaving here for Beijing today that bilateral relations were among the best in the world. This could be seen by their countries' frequent exchanges of visits. He hoped there would be even more exchanges between business leaders, engineers and agriculturalists.

Makombe said he had seen on his week-long visit, beginning last Saturday, that China's economic reforms were bearing fruit. This showed how China could look back into the past and correct mistakes to benefit the future. Zimbabwe and China, he said, shared similar views on southern Africa. There were now encouraging signs that black people in South Africa were rising up against apartheid. The liberation movement was developing, and nothing could stop the people of South Africa from freeing themselves. He accused South African authorities of using bandits to try to cut off Zimbabwe's rail and other links to the sea, in a bid to force the land-locked nation to ask for an outlet through South Africa. But, he said, Zimbabwe was a front-line state bordering South Africa, and was "ready to defend its independence and sovereignty". Makombe and his visiting party, who have been touring Hangzhou and Shanghai, leave Beijing to return home tomorrow.

IRANIAN LEADER EXPOSES SOVIET 'BLACKMAIL'

OW232015 Beijing XINHUA in English 1959 GMT 23 Jan 86

[Text] Tehran, January 23 (XINHUA) -- Iranian Speaker of Majlis (parliament) Hashemi Rafsanjani exposed Soviet blackmails levied on Iran but he said Iran didn't give in to them, according to ETTELA'AT daily today. Rafsanjani was speaking to the commanders of Iran's Air Force yesterday, just before a visit to Iran by Soviet Deputy Foreign Minister Georgiy Kornienko scheduled for early next month.

Rafsanjani said: "The Russians had been certainly ready to give aid to us if we'd wavered from our principles." But he revealed that the Russians had wanted Iran to ignore the Afghanistan issue and to export gas to them almost freely just like the Shah did in the past. They also did other blackmails, he said. "Had we wavered from our firm stance and give in to the blackmails it was possible that a new way had been opened to us, but it would be unclear to where the way would lead us," the speaker said. The relations between the Soviet Union and Iran have been cool in recent years. But there are signs that their relations could be improved to some extent in the near future.

REPRESENTATIVE DEPARTS FOR SIERRA LEONE

OW211657 Beijing XINHUA in English 1620 GMT 21 Jan 86

[Text] Beijing, January 21 (XINHUA) -- Representative of the Chinese Government and Minister of Forestry Yang Zhong flew from here today to Sierra Leone to attend the inauguration ceremony of President J.S. Momoh January 26.

COMMENTARY VIEWS PEACE IN CENTRAL AMERICA

HK210523 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 17 Jan 86 p 6

["Short Commentary": "Bringing New Hopes for Peace in Central America"]

[Text] The foreign ministers of the eight countries of the Contadora Group and the Lima Group have met in Venezuela, adopted a declaration, determined to push ahead with peace negotiations for Central America, and set out explicit goals and measures toward that end. Under a situation full of obstacles to peace in Central America, the efforts made by the meeting of the foreign ministers of the eight Latin American countries has brought new hopes for peace in Central America.

Over the past few years, the Contadora Group has made quite a few efforts to resolve the clashes in Central America, and has held numerous meetings. However, for various reasons, it has failed to get the peace pact for Central America that it has put forward signed. Late last year, the nine-nation meeting attended by fully empowered representatives also failed to arrive at an accord because of internal differences and outside meddling. Certain countries called for a 5-month moratorium on negotiations, and thus the Contadora Group's peace efforts were once more halted. Under such circumstances, the ability of the Contadora Group to resolve the Central American crisis was questioned by public opinion, with certain Western news agencies even predicting that the Contadora Group's peace overtures were already "dying." Now, the meeting of the foreign ministers of the eight nations has demonstrated that the Contadora Group's peace overtures meet the interests and aspirations of the Central American people and enjoy widespread backing, thus testifying to the vitality of the Contadora spirit and the futility of those pessimistic allegations. Just as Consalvi, Venezuelan minister of foreign affairs, pointed out: "This meeting shows that, no matter how serious the difficulties, we will never stop our enthusiastic efforts." At the opening session, Olavo E. Setubal, Brazilian minister of foreign affairs, said: "Our task is to demonstrate to the whole world that the Contadora Group is making progress conscientiously with full vigor, and that it is an important factor in resolving the Central American crisis through diplomatic dialogues and negotiations."

We should not fail to see that since the Contadora Group's peace mediation activities bogged down, a disturbing and complicated situation has emerged in Central America. Just as the declaration of the eight-nation foreign minister's meeting points out: As the threat to Central American peace becomes increasingly serious, a diplomatic vacuum would be created in the region that might heighten the tension there. Hence it is necessary to instill new vitality into the Contadora-sponsored negotiations." The Contadora Group has long since clearly put forth the important principles that Central American issues should be freed from the orbit of East-West rivalry, that the right of self-determination of the people of various countries should be ensured, and that there should be no outside interference in a country's international affairs. This is the only correct idea for a fair and just solution to the Central American issues and is a concentrated reflection of the Latin American people's will and aspirations. The experience of the past few years has proved that the Contadora Group has already played an irreplaceable role in Central American affairs. Mediation by the Contadora Group has been indispensable to maintaining the current situation in Central America and preventing it from sliding into a crisis. Therefore, any attempt to stall the peace progress initiated by the Contadora Group will be unpopular.

At present, the Latin American people long for stability and peace. The peace efforts by the Contadora Group will not be made in vain. People believe that, with the energetic backing of the Latin American people, the group will press ahead with its peace process with even greater vigor and resolve, and no force can arrest it.

LIAOWANG PROMOTES ADVANCEMENT OF RURAL REFORMS

HK220801 Beijing LIAOWANG in Chinese No 2, 13 Jan 86 p 4

[Forum: "Persist in Rural Reforms"]

[Text] In the past year, China's rural economic structural reforms were focused on the further reform of the rural economic management structure and the system for purchasing and marketing farm products. Through reforms, the scope of market regulation has been expanded and the industrial structure has been readjusted. This marks the second step of the rural reforms.

The reform practice over the past year has achieved marked results which find expression mainly in the following facts. The rural economy as a whole has become more dynamic and has continued to grow, thus providing favorable conditions for the development of the national economy and for overall economic reforms. The initiative of peasants throughout the country has been further aroused to increase production in light of market demands, and horizontal ties in the commodity economy have been strengthened. New developments have been made in the fields of forestry, animal husbandry, fishery, processing industry, and service industry, which previously were weak links in the rural economy, and the rural economy has made great advances toward economic diversification and coordinated development. Last year's total grain output was still close to the 1983 level, although some localities suffered serious natural disasters; the output of all cash crops increased with the exception of cotton, the output of which was decreased according to the plan. The gross production of society in the rural areas and peasants' total income rose substantially. All the above facts show that the policies for rural reforms are correct.

In order to meet the needs of the new situation since the adoption of the contract responsibility system in the countryside and to promote further development in the rural commodity economy in 1985, we changed the long-standing system of state-planned purchase and marketing of farm products and directly linked agricultural production with social needs. This was a major reform step. We can imagine what the situation might be if we had not taken this reform measure in 1985. Under one scenario, if we did not change the farm product purchase system and readjust the agricultural structure, peasants would have concentrated their resources on growing grain crops and reaped good harvests under favorable weather conditions. The state thus might not be able to purchase so much grain from peasants; a good harvest might make grain cheap and harm the interests of peasants, whose enthusiasm might then be dampened. But if the state purchased all the surplus grain from the peasants, state finances would have been greatly strained. On the other hand, if grain output decreased due to unfavorable weather conditions, and the production of cash crops did not increase because we did not take action to readjust the agricultural structure, the peasants would not have been able to increase their incomes and their production enthusiasm would also have been dampened. No matter what the situation, we would not have achieved today's good conditions. The reforms in 1985 avoided the two hypothetical situations and succeeded in enlivening the rural economy and ensuring the planned development of the commodity economy in the countryside. We can say that the reforms have achieved good results.

We should also notice that the second step of the rural reforms is much more complicated and arduous than the first step. In the first step, we mainly readjusted the internal relations of production and distribution in the countryside, but in the second step we will mainly readjust the overall rural economic management system through establishing regulatory mechanisms operated by market forces, readjusting the agricultural structure, facilitating commodity circulation, improving the purchase contract system, and establishing a service system to meet the needs of commodity production.

In a word, things are more complicated. We will have to deal with a large number of new questions and new contradictions. But one thing is definte: the rural economic structure must be reformed. Only through successful reforms can rural commodity production be developed and can the rural areas become prosperous and rich.

Naturally, such a large-scale and profound reform will not be accomplished overnight. We are situated in a transition period in which the new is replacing the old. Now, the new system is being built, and the old system is still functioning. It is unavoidable that some steps in the course of reform are not well coordinated. We should fully realize the complexity and arduousness of the ongoing reforms. Some comrades unrealistically think that the second step of rural reforms will also achieve quick results as they see that the adoption of the contract responsibility system has rapidly advanced production and changed conditions in many places. The adoption of the contract system aroused peasants' production enthusiasm and tapped production potential, thus effecting a rapid change and marked development. At present, our reforms are carried out on a more profound level, so we should not expect the appearance of a miracle like that of a few years ago.

Take the reform of the grain purchase and marketing system as an example. The previous system of a state-planned, monopoly purchases, and marketing systems has proven unfavorable to the development of commodity production by practice over the past years. The substitution of the contract purchase system for the old system is undoubtedly a major step in the right direction. However, the contract purchase system now is not sound enough as it has just been adopted and is still limited by the material conditions. What we can do now in the performance of the contracts is to supply some production materials to peasants at fair prices in exchange for farm products from peasants; on the other hand, peasants must fulfill the contracts as their duties to the state. The contract system, not sound enough now, should be gradually improved and developed into a real economic contract system. In this process, there will certainly be some links which are not well coordinated. However, we must never regress to the old system of state monopoly purchase and marketing. The problems in the contract system can be solved only through further reforms, and the contract system can only be improved on the basis of reforms. In a word, as long as we persevere in promoting reforms, we will gradually overcome the obstacles. Our achievements today have mainly come from reforms, and our progress tomorrow will still rely on reforms. The only way to ensure the countryside's prosperity and development is to carry forward reforms and oppose any backtracking.

All people determined to advance rural reforms should see the bright prospects for their cause in spite of the existence of difficulties in large number at the moment. Let us continue to make painstaking and unremitting efforts in opening the road to socialist rural development with Chinese characteristics!

STATE COUNCIL CIRCULAR URGES ENERGY CONSERVATION

OW240041 Beijing XINHUA Domestic Service in Chinese 0247 GMT 23 Jan 86

[Text] Beijing, 23 Jan (XINHUA) -- The State Council promulgated the "Provisional Regulations on Supervision of Energy Conservation" on 12 January and issued a circular to all localities.

The circular said: In recent years, China has achieved great results in the development and conservation of energy, which help to ensure the sustained growth of the national economy. However, the shortage of energy, in particular the shortage of power supply, will remain much of a problem in the future development of the national economy. Moreover, owing to the relative backwardness of China's industrial technology and equipment and management methods, problems such as great energy consumption and low economic efficiency remain unsolved.

Only by determinedly changing this situation can we expect to exploit our resources fully and effectively and increase profits from fairly small investments.

The circular noted: In order to ensure success in energy conservation, it is necessary to arouse the initiative of enterprises and workers, thereby associating the economic gains of enterprises and workers with energy conservation. It is also essential to extensively propagate the importance of energy saving; to conscientiously upgrade our technological level, adopt scientific management, and train talented personnel; to perfect the responsibility system; and to attain a new level in energy conservation through the combined means of economic, legal, and administrative measures.

The "Provisional Regulations on Supervision of Energy Conservation" promulgated by the State Council has 10 chapters and 60 articles, it will take effect on 1 April 1986.

Power Shortages Addressed

OW230839 Beijing XINHUA Domestic Service in Chinese 1200 GMT 19 Jan 86

[By reporter Huang Fengchu]

[Text] Beijing, 19 Jan (XINHUA) -- Since the beginning of this year, the electric power shortage has become more acute in the country. At a national economic work conference today, the State Economic Commission and the Ministry of Water Resources and Electric Power called for power consumption in strict compliance with plans.

China's total power output reached 407.3 billion KWH last year, 8.4 percent more than the previous year and the largest increase since the founding of the country. In the first 18 days of this year, the total power output was 21.086 billion kWh, averaging 1.171 billion kWh daily and topping last year's same period by 9.24 percent. However, the supply still falls short of the growing needs of industrial development in various localities. Above-quota power consumption is pervasive, and the frequent circuit breaking to restrict consumption has affected normal operations of the power networks.

In order to ease the current acute power supply shortage, ensure a sustained, steady, and balanced growth of the national economy this year, and guarantee electricity needed by the people for their everyday life and by major civic departments, the State Economic Commission and the Ministry of Water Resources and Electric Power have established the following measures:

1. All provinces, autonomous regions, and municipalities should proceed from the overall situation in strictly observing the power consumption plan and conserving electricity, and should arrange production in accordance with the power supply quotas. Above-quota power consumption is forbidden, and everything should be done to avoid unscheduled circuit breaking to restrict power consumption.

2. The Ministries of Coal Industry, Petroleum Industry, Railways, and Communications should deliver coal and oil strictly according to schedule to ensure prompt delivery of fuel needed by power plants.

3. All localities must tap potentials and explore for sources of electricity. It is necessary to bring into full play the role of self-financed power plants and small hydroelectric and thermal electric power plants. Where conditions permit, localities may raise funds to build power plants.

4. It is necessary to properly handle the relationship in power consumption between key enterprises' production and the everyday life of local people by giving priority to electricity for everyday life and increasing key enterprises' power consumption within limits. In view of the upcoming Spring Festival, all localities should properly arrange the electricity needed for the people's everyday life.

5. Electric power departments should step up supervision of power generating facilities to reduce accidents and make full and greater use of their capacity.

TAIGU COUNTY REFORMS CADRE ASSESSMENT, APPRAISAL

HK210847 Beijing RENMIN RIBAO in Chinese 16 Jan 86 p 1

[Report by XINHUA correspondent Jin Jiasheng: "Taigu County Reforms Methods for Assessing and Appraising Cadres"]

[Excerpts] In line with the principle of encouraging cadres to speak the truth, do practical work, and render better service, the Taigu County CPC Committee of Shanxi Province has reformed the methods for assessing and appraising rural work. While assessing the cadres at the township and village levels, and appraising the advanced units at the grass-roots level through comparison, besides judging the year's achievements and choosing the units with successes in single items, the county CPC Committee also took long-term construction and appraisal of overall work into account.

Regarding the requirements for rural labor models, the county CPC Committee emphatically pointed out that labor models should be assessed in light of their ideological work style, the means they have adopted becoming prosperous, and mass opinion, rather than being judged by their average per capita income. The cadres at the township and village levels should be appraised according to the services they have rendered in leading the peasants on the road to prosperity.

The announcement of the decision of the Taigu County CPC Committee on reforming the methods for assessing cadres and appraising advanced units won the support of the broad ranks of cadres and peasants. During the last 4 months, a general modd of speaking the truth, doing practical work, and trying to become a "service-type" cadre has been established among the cadres of the whole county. While handling affairs, the cadres are ready to speak the truth and stress practical achievements instead of vying with one another with statistics.

Commentator's Article

HK210849 Beijing RENMIN RIBAO in Chinese 16 Jan 86 p 1

[Commentator's article: "Stimulate the 'Spirit of the Foolish Old Man' in Electing the Advanced Through Comparison"]

[Text] With a feeling of immeasurable joy, we have welcomed the first spring of the Seventh 5-Year Plan. Everyone is now thinking of scaling new heights in the new year. Leading comrades of the CPC Central Committee have called on us to carry forward the spirit of the foolish old man and have encouraged our cadres to work hard and do practical things instead of indulging in empty talk. Now the CPC committees at all levels are studying and implementing the spirit of the National Conference of Party Delegates. They are making efforts to strengthen the building of spiritual and material civilization and to take vigorous action against the unhealthy tendencies within and outside the party. It is absolutely necessary to make appraisal through comparison and commend advanced units and individuals who have done well in building spiritual and material civilization and straightening out party style.

While summing up experiences and appraising the advanced through comparison, we must stress facts and prevent exaggeration. Contributions by a unit or individual should be judged by practical results, and their work style should be judged by practical work. We must encourage our cadres to become "foolish old men," willing to do practical work and serve the people.

In order to attain fruitful results in appraising the advanced through comparison, it is necessary to strictly follow the requirements for appraisal, stress quality and practical achievements, and realistically choose advanced units and individuals through public appraisal. Under no circumstances should we exaggerate the achievements of any unit or individual. Only in this way can we spur the people to forge ahead and overcome our mistakes and shortcomings.

At present, the work done by some localities in appraising the advanced units through comparison and the meetings held to commend these units have become a mere formality. This merits attention. We must set strict demands on all our work. All departments and units should adopt practical methods and measures to enlighten and guide the people to work hard for the prosperity of the country. We must overcome and prevent unhealthy tendencies frequently occurring in our leading work, such as performing duties in a perfunctory manner, making no distinction between reward and punishment, being in low spirits, going through the motions, and bureaucracy. In appraising the advanced through comparison, we must not evade problems or be afraid of making clear-cut and incisive remarks. As we insist on the truth, we will exert positive influences and will not exacerbate the matter.

In reforming the methods for assessing and appraising rural work, the Taigu County CPC Committee has stressed practical results. This method is applicable to rural work as well as work in other fields. The experiences of this county can also be used for reference by other localities. The honor of the advanced comes from the spirit of the foolish old man.

ZHAO ZIYANG COMMENTS ON TANGSHAN ECONOMY

SK231125 Shijiazhuang HEBEI RIBAO in Chinese 4 Jan 86 p 1

[Text] On the morning of 2 January, after hearing the reports by responsible comrades of the Tangshan City CPC Committee and the city people's government, Premier Zhao Ziyang fully affirmed Tangshan's methods and experiences in building itself into an open economic zone, on experimentally implementing the new system of cities administering counties, and on giving different guidance to different rural areas. Premier Zhao Ziyang said happily: During my current tour of Tangshan, I have seen many fresh things, which have left a very good impression on me. You should adroitly guide action according to circumstances in order to accelerate urban and rural economic structural reforms.

Premier Zhao Ziyang emphatically pointed out: Both the geographical and climatic conditions are good in Tangshan. Particularly in terms of the geographical conditions, Tangshan has rich natural resources and a good transport service, and is a coastal city close to other big cities. In the past, Tangshan suffered from the "sequel of the Cultural Revolution" in a relatively serious manner. But now the relations between cities and counties have been brought into better balance and all leading bodies have been reorganized; the new leading bodies are unified and coordinated. With this unity and coordination, the favorable geographical conditions will certainly be brought into play. In the four counties I visited this time, I found that both the mental outlook and the situation in other fields are good.

Hearing that Tangshan plans to build itself into an open economic zone, Premier Zhao said with satisfaction: With plentiful agricultural and sideline products here, your city has not adopted a blockade method. On the contrary, you have regarded the marketing of your agricultural and sideline products as a favorable condition for promoting production. This idea is very good. You should not consider the outflow of your goods and materials a bad thing, nor blockade yourselves. You should build yourselves into an open economic zone. This is what you mean by saying "let other households eat the rice," "strike out in all directions," and "contact all quarters." But this truth has not yet been understood throughout the country. This is an important problem which should be solved in the course of reform, and must attract still greater attention. We should pay attention to reviewing new experiences in this regard and expeditiously solving difficulties and problems emerging in this regard. We should promote economic integration, adroitly guide action according to circumstances, preserve the advantages, discard the disadvantages, and remove all obstacles. We should not engage in an ivory tower economy nor conduct a regional blockade.

Premier Zhao also pointed out: We should further accelerate the reform of city management structure. He said: In the preceding stage of urban economic structural reform, we paid attention to expanding powers for enterprises and to transferring those enterprises at or above the provincial level to lower levels. Work in these two aspects should be strengthened continually. On this basis, we should further accelerate urban economic structural reform. When shifting enterprises to lower administrative levels there is a problem, that is, how to administrate these enterprises well. In sum, all our actions should be conducive to strengthening the management of various trades.

On the afternoon of 2 January, Premier Zhao inspected the Tangshan Iron and Steel Company and the Tangshan Construction and Enamel Plant. On the morning of 3 January Premier Zhao left Tangshan for Beijing.

XI ZHONGXUN MEETS TAIWAN COMPATRIOTS GROUP

OW181303 Beijing XINHUA Domestic Service in Chinese 1505 GMT 17 Jan 86

[Text] Beijing, 17 Jan (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, received the council members attending the second council meeting of the All-China Association of Taiwan Compatriots this afternoon at the Great Hall of the People.

Xi Zhongxun expressed the hope that all members of the association will enhance their contacts with compatriots on and outside the Taiwan island, thus enabling them to garner a detailed knowledge of the CPC's principle and policy of "one country, two systems" and peaceful unification of the motherland. He wished the association greater achievements in the new year. Xi Zhongxun had a photo taken with the council members.

The second council meeting of the All-China Association of Taiwan Compatriots opened on 13 January. The main items on its agenda are a review of its 1985 work, establishment of tasks for the coming year, and appoint new council members. The meeting is expected to conclude on the 19th.

DENG LIQUN RECEIVES JIANGXI MUSEUM REPRESENTATIVE

OW230613 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 22 Jan 86

[Text] At the first national meeting to commend advanced museums and individual museum workers, which was recently held in Beijing, the Gaoan County Museum in our province was awarded a gold-lettered plate by the Ministry of Culture.

A representative of the Gaoan County Museum was cordially received by Deng Liqun, member of the CPC Central Committee Secretariat, Yan Jici, vice chairman of the NPC Standing Committee; Liu Lantao, vice chairman of the CPPCC National Committee; Zhu Houze, director of the CPC Central Committee Propaganda Department; Zhu Muzhi, minister of culture; and other leading comrades.

TIAN JIYUN MEETS PRICE CONFERENCE PARTICIPANTS

OW240109 Beijing XINHUA Domestic Service in Chinese 1552 GMT 23 Jan 86

[By reporter Chen Yun]

[Text] Beijing, 23 Jan (XINHUA) -- It is necessary to consolidate, digest, supplement, and improve the price reform measures already in force so that commodity prices can, in general, remain stable. This is a basic requirement set by a national price work conference for this year's commodity price work.

The conference, called by the State Price Bureau, was held in Beijing from 5 to 19 January. During the conference, Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, heard briefings from representatives to the conference and also made a speech.

The conference held that by taking a major step forward in reforming the price system last year, China has basically streamlined purchasing and marketing prices of grain in rural areas; readjusted the purchasing, marketing, and price policies on hogs; gradually relaxed the control over prices of meat, vegetables, and other perishable nonstaple foods; readjusted the price of short-distance railway transportation; and further eased controls on prices of small commodities. Generally speaking, progress has been smooth, results have been remarkable, and the price system as a whole has gradually advanced in a clear and rational direction. Without this step in reform, it would be impossible to achieve the current progress in restructuring the rural industrial facilities, and the urban and rural market would not be thriving as it is now. With the passage of time, price reform will lend even stronger impetus to developing commodity production in a planned manner and to increasing market prosperity. Of course, it is also necessary to note the excessive increase in the price index as well as a number of other shortcomings in practical work. We should overcome the shortcomings through properly reviewing experiences.

The conference held that the primary task of price work for this year is to "consolidate, digest, supplement, and improve" reform measures already in force. It is necessary to maintain basically stable prices through digestion and improvement of the measures. At the same time, it is necessary to effectively conduct investigation and study of prices, as well as price checks, in preparing for next year's reform.

The conference emphasized: The state's intensified macroeconomic control over capital construction scale and unplanned increases in consumption funds has provided improved economic conditions for stabilizing commodity prices this year. It should also be noted that unstable factors have not been completely eliminated from the current economic picture. The repercussions of last year's price hike are still apparent, in varying degrees, and price hikes in disguised forms and indiscriminate price increases by some producers and dealers still occur occasionally. These problems merit the attention of the relevant departments.

The conference pointed out: It is imperative to implement the following measures for maintaining stable prices: First, it is necessary to stress the focal points of controlling capital construction scale and unplanned increases in consumption while actively producing readily marketable products to meet consumers' needs.

Second, it is necessary to focus attention on key areas, i.e., large- and medium-sized cities, especially Beijing, Tianjin, Shanghai, and provincial capitals. Third, it is necessary to concentrate efforts on maintaining stable prices of such major commodities as vegetables, meat, and eggs. The conference called for intensifying the supervision and inspection of price work and duly handling price policy violations.

LI PENG SPEAKS TO ELECTRONICS MINISTRY CADRES

OW240309 Beijing XINHUA Domestic Service in Chinese 1328 GMT 23 Jan 86

[By RENMIN RIBAO reporter Liu Litian and XINHUA reporter Li Anding]

[Text] Beijing, 23 Jan (XINHUA) -- The Ministry of Electronics Industry, which has taken a big step forward and made meticulous efforts in carrying out reform, should pay close attention to the management of electronics enterprises after they are granted greater decisionmaking powers, said State Council Vice Premier Li Peng at a meeting of the ministry's leading cadres today.

Li Peng said: The Ministries of Machine-Building Industry and Electronics Industry have been selected to test the structural reform of separating government from enterprise functions in order to invigorate enterprises. The Ministry of Electronics Industry has, instead of rushing headlong into mass action, carried out the work of delegating powers to enterprises in a planned and systematic manner and in accordance with the special characteristics of each locality. In view of the greater decision-making powers granted to electronics enterprises, the ministry should, as a government organ performing the function of managing the electronics industry, establish principles and policies for developing the industry; do a good job in coordination and planning; and carefully examine and approve major projects and distribution of raw and semifinished materials. It should also continue helping enterprises resolve problems and make every effort in promoting their development.

Li Peng said: There are two formulas for the future development of the electronics enterprises: One, by developing cooperation among themselves by forming a group of electronics enterprises in joint production of components and semi-finished and finished products; and, two, by developing cooperation with other industries by serving technological transformation and development of such traditional industries as machinery, electric power, and communications. These enterprises may gradually expand such cooperation from joint production and services for technological transformation and development to the pooling of funds. Li Peng said: Each group should pursue self-development by developing its own name-brand products and by striving to produce electronics goods currently in market demand.

LI PENG, HAO JIANXIU AT ANTI-FLOOD COMMENDATION

OW210206 Beijing XINHUA Domestic Service in Chinese 1248 GMT 19 Jan 86

[By reporter Cui Lisha]

[Excerpts] Beijing, 19 Jan (XINHUA) -- A national meeting was held by the Central Anti-Flood General Command this morning in Beijing to commend models and advanced collectives for their efforts in combating floods. When the 6 anti-flood models and the representatives from 18 anti-flood advanced collectives, all wearing red corsages, mounted the rostrum to receive the glistening medals, the hall resounded with a prolonged ovation.

At the meeting, Wei Fulin [7136 4395 5259], deputy secretary-general of the Central Anti-Flood General Command and director of the Operation Department of the Chinese PLA's General Staff Department, read the command's decision to commend the 8 [as received] models and 18 advanced collectives for their efforts in combating floods.

Among those attending the meeting were Li Peng, member of the CPC Central Committee Political Bureau, vice premier of the State Council, and commander in chief of the Central Anti-Flood General Command; and Hao Jianxiu, member of the Secretariat of the CPC Central Committee. On behalf of the party Central Committee and the State Council, Li Peng paid lofty respects and extended cordial regards to the comrades who had the glory to win the titles of national anti-flood models and advanced anti-flood collectives due to their efforts in combating floods.

Li Peng said: During last year's anti-flood struggle, particularly in combating the Liaohe flood, you did very well in fulfilling the task assigned to you by the party Central Committee and the State Council, safeguarding Panjin, the Liaoyang Petrochemical Complex, and an oil field, and reducing the loss caused by the flood. The victory of this struggle proved that our party and government are in the service of the people and share weal and woe with the people. Our PLA is the people's own army. When a dangerous situation arose, the PLA was there. Our people are good people. They not only struggled against floods but helped themselves by resuming production immediately after the disaster instead of becoming discouraged and dejected. They quickly restored their villages and towns. What they did demonstrated the fine traditions of diligence and bravery of the Chinese nation. Li Peng suggested that the deeds of the anti-flood models and advanced collectives be reviewed and used as teaching materials for education in socialist spiritual civilization.

Li Peng pointed out: Since liberation, our country has achieved great success in harnessing major rivers. However, our flood-control capability is not yet strong, and some major rivers have not yet been brought under control so that flood disasters can be completely prevented. Because of this, our struggle against floods will be a protracted one, and we must remain vigilant. Li Peng urged that serious efforts be made to review last year's experiences in preventing and combating floods so as to be well prepared for another struggle in the future.

Qian Zhengying, deputy commander in chief of the Central Anti-Flood General Command and minister of water conservancy and electric power, also addressed the meeting.

YANG SHANGKUN ADVISES AT RECTIFICATION FORUM

OW220523 Beijing Domestic Service in Mandarin 1200 GMT 21 Jan 86

[Text] In his speech at an all-Army forum on party rectification in units at or below regimental level, Yang Shangkun, vice chairman of the Central Military Commission, pointed out yesterday: All Army units should examine their problems and do their work well under the proviso that it is imperative to bring about a fundamental turn for the better in party work style this year. They should actively contribute to the rectification of that work style.

Yang Shangkun pointed out: Party rectification work is very important in units at or below regimental level. One of the most important links to be grasped in the course of party rectification in such units is the consolidation of the company party branch.

Yang Shangkun said: Party rectification is good political training. In carrying out party rectification in units at or below regimental level, it is necessary to rectify the negative side on the one hand, and to effectively build the company party branch into a fighting bastion on the other.

Yang Shangkun called on cadres of the three general departments, major Army units, and division and corps leading bodies to work with units at or below regimental level, where they should not only be liaison officers but also make concientious efforts to help basic units enact party rectification. By so doing, office cadres will also be able to temper themselves.

GU MU TO HEAD TOURISM DEVELOPMENT GROUP

OW211552 Beijing XINHUA in English 1525 GMT 21 Jan 86

[Text] Beijing, January 21 (XINHUA) -- The Chinese Government has decided to earmark 500 million yuan each year for the next five years for the development of tourism, State Councillor Gu Mu told a national conference which opened today. The money will be mainly spent on the development of scenic spots and the construction of hotels in major tourist cities and regions such as Beijing, Shanghai, Xian, Guilin, Hangzhou, Wuxi, Guangzhou and Hainan Island, Gu said. Foreign commercial loans will also be considered and various ways of raising funds in the domestic market will be encouraged to expand tourism, he added.

As part of its efforts to promote the development of tourism, the State Council has decided to set up a coordination group to guide the departments concerned in tackling the major issues; the group will be headed by Gu Mu himself.

Gu demanded that the political and economic importance of tourism be rethought, and said that the major goal the country's tourism industry should try to attain is to receive 10 million overseas tourists and earn 10 billion U.S. dollars a year by the end of this century. Though developing very fast in recent years, China's tourism industry is still underdeveloped and does not match the first-grade attractions it boasts, Gu said. He called for planned and coordinated efforts to produce commodities for tourists, train specialized personnel, develop scenic spots, build hotels, and improve air, rail and highway transportation, and other services.

PLA'S HAN HUAIZHI DISCUSSES MILITARY IMPROVEMENTS

HK211256 [Editorial Report] Beijing domestic television service in Mandarin on 18 January, during its regular 1100 GMT newscast, shows a 2-minute film clip on Han Huaizhi, deputy chief of the General Staff of the PLA, discussing further headway made in military training during a "recent" interview with a reporter of the China Central Television Station. While Han is heard discussing the training and the announcer summarizes Han's remarks, the film shows military helicopters, tanks, artillery, and military planes taking part in an unidentified military exercise. The film also shows a warship launching an unidentified missile, an unidentified radar, military personnel operating unidentified computers, an airborne force engaged in an unidentified exercise and parachuting, and the launch of an unidentified land-based missile. The following is the full text of the 2-minute report:

[Begin recording] [Announcer] In 1985, our Army scored great achievements in reduction and reorganization and in the reform of its system. This station's reporter recently interviewed Han Huaizhi, deputy chief of the General Staff of the PLA. He said:

[Han Huaizhi] In 1985, the commanders and fighters of the whole Army conscientiously implemented a series of instructions given by Chairman Deng on education and training, persisted in giving a strategic place to education and training, and made progress and improvement in the course of reform, thus bringing about a very good situation. The development of military training... [Announcer interrupts at this point and begins summarizing Han's remarks]

[Announcer] Han Huaizhi remarked that the strategic study of military training caused the whole Army to attach great importance to it. As a result, the training's vigor and vitality were strengthened, greater breakthroughs were made in the reform of our training system, and the new training system of separating individual training (dan ge ren yuan xun lian) from Army unit training was established. The reform in training contents and training setups is causing deep changes in our Army's training process. The application of laser, electronic computers, and other new technologies to tactical simulated confrontational military exercises shows we have made a gratifying step in improving the means of training. As regards education, all military academies have made headway in replacing old ideas with new ones and in reforming content, method, and means. They have markedly improved the quality of education, provided the armed forces with a large number of university-level officers, and provided the armed forces with a number of high-level qualified personnel with master's or doctoral degrees.

Han Huaizhi said we will implement our military training on the basis of last year's program and under the guidance of the spirit of the enlarged meeting of the Military Commission. Our military training will focus on improving the Army's ability to fight in coordination, react quickly, survive in the field, deal with electronic devices, and improve logistics. The training of recruits will center around training conducted at military academies. The training of armed forces will center around field operations. We will perfect the scientific structure of training contents and training setups, improve the scientific management of military training, and enhance the overall beneficial results (xiao yi). Our training work will enter a stage of all-round development. [end recording]

XINHUA COMMENTARY EXAMINES DISOBEDIENCE RESULTS

OW231852 Beijing XINHUA Domestic Service in Chinese 0224 GMT 21 Jan 86

[XINHUA Commentator article: "Stop 'Disobeying the Red Light'"]

[Text] Beijing, 21 Jan (XINHUA) -- A certain local leading comrade stated at a cadres' meeting that as far as tax matters are concerned, it is necessary to have the "courage to reform," and "dare to disobey the red light." Influenced by this leading comrade's remarks, as high as 80 percent of the enterprises in this locality have evaded taxes or committed other frauds in violation of the tax law. He may not have anticipated that such serious consequences would be triggered by his brief remarks.

Red lights and green lights are traffic signals. Even small children know that the rule "walk when the light is green and stop when the light is red" should be obeyed; if this rule is violated, traffic accidents and serious loss of life and property will result. Of course, a society functions in a much more complex manner than its traffic. For the sake of ensuring society's normal political and economic activities, a socialist court will draw up all types of laws, disciplines, rules, and regulations to protect the fundamental interests of the people. Like red and green lights, these laws, disciplines, rules and regulations proscribe what can and cannot be done; therefore, eveyone in that society must regard them as codes of conduct, proceeding when the light is green and stop when it is red, so that orders and prohibitions can be strictly enforced. Regardless of his subjective intentions, this leading official's overt act of calling on people to disobey law, and this is absolutely unacceptable.

We must point out in particular that, while telling people that they must "dare to disobey the red light," this leading comrade also called on people to have "the courage to reform" -- two things having absolutely nothing to do with each other. For him it seems that laws and disciplines can be ignored in the course of reforms.

This is nothing but a distortion of the meaning of reform. Everyone knows that reform means replacing outmoded rules and regulations that obstruct the development of a society's productivity with vigorous and dynamic new systems, and does not mean that people can evade taxes, commit tax fraud, embezzle state property, endanger state interests, and undermine socialism, totally disregrading party discipline and state law. If these things can be regarded as reforms, we can only say that some people are actually pursuing their personal interests, or the interests of a small group of people, in the name of reform.

Some people may ask why they cannot disobey those outmoded disciplines and irrational rules and regulations. They certainly can if those disciplines, rules, and regulations are indeed outmoded and irrational. However, what may be regarded as outmoded or irrational should be judged on the basis of the interests of the whole, and not on partial interests; even if we do away with those outmoded and irrational rules and regulations that are not in the interest of the whole, we should do so in a well-guided and systematic manner. There should be construction and destruction, but construction should come first. Disobeying unscrupulously or reckless destruction will only confuse and distort matters.

RENMIN RIBAO REVIEWS ZHOU ENLAI CONTRIBUTIONS

HK161045 Beijing RENMIN RIBAO in Chinese 5 Jan 86 pp 4, 5

[Article by Gao Wenqian reprinted from 1986 Issue No 1 of WENXIAN HE YANJIU (with slight revisions): "Arduous But Brilliant Last Years -- On Zhou Enlai in the 'Great Cultural Revolution' Period"]

[Text] Ten years ago, Zhou Enlai, who had been carrying out a bitter struggle against the tragic historical disaster for 10 years, was exhausted and left the world forever. His death made the people who had suffered too much hardship become mature and alert all at once. Under the banner of mourning for Zhou Enlai, the long-accumulated deep feelings in the hearts of the people erupted like a volcano. The massive April Movement occurred on a nationwide scale with the Tiananmen Square Incident as the key event in demonstrating opposition to the "gang of four" and support for the correct leadership of the party as represented by Comrade Deng Xiaoping. This led to a deep political crisis, the seeds of which had been carried within Chinese society since the "Great Cultural Revolution" was launched. In just half a year, the CPC Central Committee executed the people's desire and smashed the "gang of four," thus ending the historical disaster of the "Great Cultural Revolution." All this was the inevitable outcome of developments reflecting the party's will and popular will. At the same time, it was inseparable from the efforts of Zhou Enlai, who endured humiliation in order to carry out an important mission, exerted all his strength to save the nation when its fate hung in the balance, and worked his heart out to reduce the losses caused by the "Great Cultural Revolution," thus winning the understanding and heart-felt love of a vast number of people.

I

When the "Great Cultural Revolution" swept the country in 1966, Zhou Enlai was already almost 70. It was in the historical twists and turns bringing serious disasters to the party and state that he arduously and indomintably spent the last 10 years of his life.

Due to complicated and deep social and historical reasons, in the process of the continuous accumulation and rapid expansion of the "leftist" mistakes in the party's guiding ideology begun in the late 1950's, the leadership group of the CPC Central Committee, including Zhou Enlai, failed to prevent the emergence of the historical disaster of the "Great Cultural Revolution," despite various efforts.

They thus had no choice but to accept the bitter fact of the "Great Cultural Revolution," since they had no basis in theory or in practice to fully understand and then defeat the "leftist" mistakes.

Like many other leading comrades of the CPC Central Committee, Zhou Enlai was not fully mentally prepared for the "Great Cultural Revolution," which broke out with tremendous force. He was drawn into the center of that political storm while busy with the intense work of urging the eight northern provinces to fight drought and was leading the struggle against earthquake damage and the relief work in Xingtai. Zhou Enlai did not understand the practice of rousing and instigating the masses to "rebel" from the top downward and thus willfully giving rise to a "fierce turbulence all over the country." According to what he said on different occasions, he "never even dreamed of that." For example, in a speech he gave at a work conference of the CPC Central Committee in October 1966, he summarized the situation, saying that the movement was "developing vigorously and cannot be stopped despite people's desires." With many thoughts surging through his mind, he said: "I have never even dreamed of such a tremendous situation," and "I shudder at the mere thought of it." Even 2 years later, in September 1968, when he met propaganda teams of workers and PLA men in the capital, he still said that to be honest in front of his comrades, at the initial period of the Great Proletarian Cultural Revolution, he did not understand it; he never thought that there could have been such a situation.

Of course, Zhou Enlai's understanding of the "Great Cultural Revolution" could not but be restricted by historical conditions. Since the true nature of the historical process of the "Great Cultural Revolution" had not yet been fully revealed and was hidden by various myths and false illusions that most people believed, from the very beginning Comrade Zhou Enlai cherished a sincere desire to strive to understand the "Great Cultural Revolution" from the point of view that it might have a good end. He hoped that it could really help overcome and eliminate certain real shortcomings and the dark side that existed in the party and government organs. It could thus help maintain the party's and state's fine characteristics. On the basis of this understanding, he held that after the proletariat had won state power, such a revolution could attain its goal only under the leadership of the vanguards of the proletariat -- the Communist Party, which would proceed in an organized and systematic manner and under the precondition of refraining as much as possible from affecting the normal order of social life and developing along a health path.

However, this idea was far from the so-called tentative idea of bringing order out of chaos and far from the way that the movement actually developed later. This sharp conflict between ideas and reality could not help but put Zhou Enlai in an extremely difficult position. Therefore, in a series of major meetings held after the "Great Cultural Revolution" was launched, Zhou Enlai always criticized himself for ideologically "falling behind" the development of the situation and committing "mistakes." For example, at the 11th Plenary Session of the 8th CPC Central Committee, he criticized himself by saying he always "looked at the new revolution and new movement with his old methods and ideas" and said he would "plunge into the struggle with enthusiasm. Mistakes, big or small, are unavoidable when one plunges into the struggle. I have committed big mistakes and will certainly commit some mistakes now if I handle these matters. I have to be mentally prepared for this." In another example, in his formal speech to the work conference of the CPC Central Committee, he said: Since the 11th plenary session, I have strived to follow Chairman Mao closely, but "sometimes I still fear falling behind." However, I have the confidence and awareness that I will correct my mistakes as soon as I am aware of them and strive to catch up.

Although Zhou Enlai strived to find subjective reasons, he had to squarely face the severe reality that the party and state were undergoing upheaval and fragmenting. Throughout the "Great Cultural Revolution," this firm problem bothered him and caused unthinkable agony and anxiety in his mind.

It is not hard to imagine that when he saw with his own eyes that the achievements of the 17 years of socialist construction, permeated with his painstaking labor, would soon be destroyed in the turmoil that was called a "revolution," how could he remain unmoved and how could he not "strive to catch up?" Sometimes this mood expressed itself in a twisted manner. For example, in December 1966 when he met the representatives of the cadres and masses from the China Academy of Sciences, he said that as he had failed to keep his thoughts in line with the foresight, daring, and resolution of the leaders, he had failed to understand the prospects and goals of the "Great Cultural Revolution." Therefore, he failed greatly in doing his work vigorously and conscientiously. Sometimes he wanted to divide tasks into stages and carry them out in an orderly fashion, but, in fact, this was impossible. For example, when he talked with the cadres of the financial and trade circles with whom he met at the beginning of 1967, he recalled that since the "Great Cultural Revolution" was launched, the scale of the movement had time and again exceeded what he imagined. He said: "Even though we have tried hard to closely follow Chairman Mao's ideas and suggestion that we study hard, follow him, and correct our mistakes, and although we have tried to catch up with him, we have failed to catch up." These words faithfully describe Zhou Enlai's mood at that time and vividly show the contradiction in his mind between his desire and efforts to understand the "Great Cultural Revolution" and his frustration that it might never be understood.

As time passed, the disastrous consequences of the "Great Cultural Revolution" became increasingly clear. Zhou Enlai was faced with two choices: to play it safe and do nothing in order to keep out of trouble, or to stand fast to his post, share weal and woe with the party and people, and do his best to relieve the difficult situation. From the point of view of his personal interests alone, the former could be regarded as a good policy, while the latter was filled with danger and uncertainty. However, since his childhood he had looked for the truth for national salvation in the vast sea of knowledge, and he clearly realized that only communism could save the country from subjugation. How could he consider his personal security and position at a juncture when the party and state faced serious danger and difficulties. He would even risk fire and water or his life as long as he could protect the party and state from the "Great Cultural Revolution," a disaster which was difficult to avoid. When he talked with Li Fuchun in December 1966, a comrade-in-arms with whom he had fought shoulder to shoulder for several decades, he told Li a principle that he believed in his heart of hearts: Who is to go into the tiger's den if I do not? Who will descend into hell if I do not? This was precisely what gave Zhou Enlai the impetus in his heart to endure humiliation in order to carry out an important mission and arduously relieve the dangerous situation.

We should point out here that many of Zhou Enlai's efforts to relieve the dangerous situation were supported by Mao Zedong. In launching the "Great Cultural Revolution," Mao Zedong's aim was to "expose our dark side publicly, in an all-round manner, and from the bottom upward" and thus bring order out of chaos in the country. Therefore, he did not hope that the turmoil in the situation would grow out of control, because this did not conform to his original purpose in launching the "Great Cultural Revolution." When he found that Lin Biao, Jiang Qing, and others were trying their best to push his ideas to the extreme and that they craved nothing short of nationwide chaos, he realized that only by relying on and supporting Zhou Enlai could the situation be stabilized and could the continuous operation of the life of the state be maintained. Therefore, several times Mao Zedong personally stopped Lin Biao, Jiang Qing, and other people's plots to frame and overthrow Zhou Enlai and supported Zhou Enlai's work in stabilizing the situation, telling people not to relax their efforts to carry out production and protecting old cadres.

It is precisely under this situation that, after the 11th Plenary Session of the 8th CPC Central Committee, Zhou Enlai was appointed to be in charge of the daily work of the Political Bureau of the CPC Central Committee and to shoulder the heavy tasks of handling the routine affairs of the party, government, and Army. This means that he had to guarantee daily necessities of China's 700 million people amid the chaos of the "Great Cultural Revolution." In order to guarantee this, he had to ensure that the state life proceeded normally. This was a problem extremely difficult to coordinate, but that had to be coordinated under current circumstances. He had to discover a way to coordinate the two, otherwise the consequences would be too dreadful to contemplate. With his thorough loyalty to the party and people and with his wisdom and special ways, he shouldered that heavy historical task. When he became increasingly clear about the losses caused by the "Great Cultural Revolution," he exerted his utmost efforts to reduce losses to a minimum and enable the state life to continue to progress. At the same time, he waited for an opportunity to emerge and for the awakening of the masses. He time and again repeated the following now well-known words: "During the Great Cultural Revolution, I only had the following to say: I will give my all until my heart stops beating." These words reflected his mood then. What else could he say in the face of such a historical tragedy? This was why Zhou Enlai worked so arduously during the "Great Cultural Revolution," and this is the key for us to understand Zhou Enlai during the period of the "Great Cultural Revolution." In all the activities in the last 10 years of his life, Zhou Enlai followed these words.

II

After probing Zhou Enlai's heavy heart and firm will in his inner world during the years of turmoil in the "Great Cultural Revolution," we should go deeper to examine his historical role in that period. Comrade Chen Yun once observed: "The consequences of the 'Great Cultural Revolution' would have been unimaginable if it were not for Zhou Enlai's efforts." This was a lofty appraisal of Zhou Enlai's role in the period of the "Great Cultural Revolution." That great historical role can be summed up in the following two aspects:

First, he played a role in reducing the losses and watering down the errors. Comrade Xiaoping pointed this out when he answered the questions asked by Oriana Fallaci, an Italian reporter. Because of the tragic nature of the "Great Cultural Revolution," although Zhou Enlai made utmost efforts to try to save the party and state from turmoil, under the specific historical conditions at that time, one individual did not have the strength to save a desperate situation. However, as was said in the title of an article mourning his death -- "A Towering Huge Tree Guards China Heroically" -- when the storm of the "Great Cultural Revolution" blotted out the sky and land with its sweeping violence, Zhou Enlai stood firm to resist it with his own body and used the power in his hands to stabilize the situation as much as possible, reduce the scale of the turmoil, and maintain the normal operation of state life in various spheres. By so doing, he shifted and reduced the blows of that historical disaster and protected the party and people to a certain extent.

For example, the program for action, the "16 provisions," for the "Great Cultural Revolution" was being discussed at the 11th Plenary Session of the 8th CPC Central Committee. After discussions with Tao Zhi, Zhou Enlai struck from the original draft text such phrases as "black gang" and "black line" and added some provisions on restrictive policies, such as the strict distinction between the two categories of contradictions of a different nature, the necessity of distinguishing cadres who were good or relatively good, the necessity of uniting with more than 95 percent of the cadres and masses, the necessity of carrying out a verbal struggle instead of resorting to violence, refraining from pitting the movement against production, and protecting scientific and technological workers. We should admit that as the guiding principle in launching the "Great Cultural Revolution" was completely wrong, it was impossible for these concrete policy provisions to have any great restrictive strength over the actual development of the "Great Cultural Revolution."

Nevertheless, once these policy provisions were definitely recognized in the party's document, they provided Zhou Enlai with a weapon to use later in reducing to the minimum the losses caused by the "Great Cultural Revolution," in teaching and trying to persuade the masses to be free from the ultraleftist fanaticism, and in fighting the perverse acts of the Lin Biao and Jiang Qing cliques.

In handling the problem of seizing power, in order to reduce to the minimum its impact on various aspects of work and in order to maintain a stable public order, he made bitter efforts to exercise various kinds of restrictions. At the very beginning of the practice of seizing power, he time and again reiterated on various occasions that diplomacy, national defense, public security, finance, propaganda, and the defense industry were within the jurisdiction of the central authorities, and no one else was allowed to take over. He then stipulated that the rebels were only allowed to seize power over the leadership of the Cultural Revolution in the ministerial organs, and they only had the power to supervise vocational work. Later, he pointed out that the supervision had to be carried out within proper limits. In February 1967, he sternly criticized the acts of certain organizations in seizing power and taking away the leadership from party committees without authorization. He said angrily: No one tells you to supervise the leadership power of the party committees. You have gone out of bounds! You cannot tell the party committee to give away their leadership power and the spear of revolution cannot be directed at the headquarters of the proletariat and Chairman Mao. He repeatedly stressed: In seizing power from a handful of capitalist roaders, we should see that during the past 17 years, Chairman Mao's red line has played a dominant role. Therefore, in some areas there are not necessarily capitalist roaders and even in the areas where there are indeed capitalist roaders, their number is small.

For another example, in regard to the problem of criticizing Lin Biao and Confucius, in August 1973, at a meeting of the Political Bureau, Jiang Qing proposed with an evil intention that the contents of Mao Zedong's talks on the struggle between the Confucianists and the Legalists in Chinese history be written into the political report of the 10th CPC National Congress which he immediately studied and implemented throughout the country. Zhou Enlai, presiding over the meeting, said that there was no need to publish this immediately because "it takes time for people to understand and digest it." In order to prevent the movement to criticize Lin Biao and Confucius, which had broken out with tremendous force, from developing into another universal and great disorder like that in the initial period of the "Great Cultural Revolution," on 31 January 1974 Zhou Enlai presided over a meeting of the Political Bureau of the CPC Central Committee despite his ill health, and proposed that the sector under the Central Military Commission, the party and government organs, and the production sectors stipulate and issue to lower levels some policy limits. He suggested that the practice of speaking out freely, airing views fully, holding great debates, and writing big character posters not be carried out in the combat commands, confidential work, and telecommuniations, intelligence, and supply departments of the troops, and that in production sectors the movement be "carried out at a time other than production hours." After this proposal was rejected by the Jiang Qing clique on the grounds that this would "restrict the activities in mobilizing the masses of people", with the support of Comrades Ye Jianying and Deng Xiaoping, Zhou Enlai continued to persist in making plans so that the practice of speaking out freely, airing views fully, holding great debates, and writing big character posters should not be carried out within the system under the Central Military Commission. Later, in handling actual problems, he formulated some restrictive regulations.

Second, at the important junctures of the "Cultural Revolution" and when some new favorable turns emerged in the historical developments, he lost no time in promoting the changes in the political situation and influenced and pushed forward the historical process of bringing order out of chaos. As all other historical events, the "Cultural Revolution" was also a kind of historical result of forces.

During this historical tragedy, although constrained and trampled by nonhistorical factors, the inevitable demands of history always tenaciously created their own path. Precisely under these circumstances, in light of the inevitable demands of history, Zhou Enlai contained the changes in the political situation, but also firmly grasped every favorable opportunity in history to extricate the party and the country from the predicament of the "Cultural Revolution" step by step.

For example, during July and August 1967, due to the manipulation of the Lin Biao and Jiang Qing counterrevolutionary cliques, the most riotous scenes since the start of the "Cultural Revolution" took place in the country. In the wake of the "20 July incident" in Wuhan, "ferreting out a small handful of capitalist roaders in the Army" occurred everywhere in the country, leading military organs were charged, arms and military equipment were seized, large-scale violent and bloody incidents sharply increased, and emergencies were reported everywhere in the country. Following the approval of the slogan of "struggling by reasoning and defending by force" by Jiang Qing, just like adding fuel to a fire, a grave situation of a "full-scale civil war" arose. In the field of foreign relations, the power of the Ministry of Foreign Affairs was seized and the grave foreign-related cases of "three smashings and one burning" cropped up one after another, with the trend continuing to spread. At the time, both internal and foreign affairs were out of control and the whole situation was on the brink of collapse. At this critical juncture of life and death for the party and the country, Zhou Enlai decided promptly and opportunely to report this extremely grave situation to Mao Zedong, who was then not in Beijing, and urge him to make up his mind to adopt absolute measures, to regain control of the situation, and to put an end to this almost unmanageable situation. This became the key to changing the situation in the first stage of the "Cultural Revolution."

Another example is the incident of Lin Biao's treachery in September 1971. This was an important juncture in the history of the "Cultural Revolution." Lin Biao, the "deputy commander in chief" who was once at the height of his power and influence during the "Cultural Revolution" and the "successor" stipulated by the party Constitution, went so far as to commit treason and flee the country. He came to the disgraceful end of being buried in the desert of a foreign land. This soul-stirring fact ruthlessly proclaimed the failure of the "Cultural Revolution" both in theory and practice and had a great impact on the people. The people began to awaken and think. As the historical conditions for correcting the mistakes of the "Cultural Revolution" gradually became ripe, Zhou Enlai grasped this historical turning point to determinedly uphold the banner of repudiating the ultraleftist trend of thought; implement various policies of the party; redress some of the unjust, false, and wronged cases; consolidate and strengthen the management of enterprises; resume the normal work of cultural, educational, scientific, and technological departments; open up a new situation in foreign affairs and eliminate as much as possible the disastrous effects of the "Cultural Revolution" in every field; and thus greatly raise the degree of the ongoing struggle against the Lin Biao and Jiang Qing counterrevolutionary cliques both in depth and breadth and make the work in every field take a turn for the better. This struggle was a kind of limited way of bringing order out of chaos under the historical condition of it being not yet possible to completely correct the mistakes of the "Cultural Revolution." It constituted an important component part of the arduous and tortuous struggle waged by the party and the people during the "Cultural Revolution" against the "leftist" mistakes.

Another example occurred in 1975: The "Cultural Revolution," which had brought severe disasters to the Chinese people, entered its 10th year. At this time the people already felt deeply disgusted and dissatisfied with this "Cultural Revolution" and urgently wanted to bring an end to this upheaval, and Zhou Enlai was again ahead of his time.

In his report on the work of the government at the Fourth National People's Congress, he reaffirmed the magnificent idea of "accomplishing the comprehensive modernization of agriculture, industry, national defense, and science and technology before the end of the century, so that our national economy will advance to the front ranks of the world." Being incompatible with the main theme of the "Cultural Revolution," it totally dispelled the oppressive political atmosphere at that time, kindled in the people's minds the fire of hope, made them see in the darkness the bright future of the motherland, and greatly inspired public feeling, thus becoming a banner guiding the struggle of the party and the people against the Jiang Qing counterrevolutionary clique.

Finally, it should be pointed out that while trying to minimize the losses caused by the "Cultural Revolution," Zhou Enlai also had to say and do things against his will. Nevertheless, this is understood by the people, for without doing so, he could not possibly play the above two-sided historical role under the historical conditions at that time. This was an appropriate alternative that had to be adopted regarding this historical tragedy for the sake of the supreme interests of the party and the country, and was a tenacious struggle for which we had to pay the price. As for the unavoidable historical chaos produced while our whole country was under the historical shadow, we should not be overcritical and demand perfection. As Comrade Hu Yaobang pointed out, during the "Cultural Revolution" he himself also said and did things against his will. The comrades of our whole party all deeply understand the value of the contributions made by Comrade Zhou Enlai for the protection of the party and the people under the extremely complex and special conditions of the "Cultural Revolution."

III

While reviewing the history of the "Cultural Revolution," it is quite natural that people will raise the question: Why would Zhou Enlai always stand fast at his post and make vigorous efforts to cope with the critical situation for as long as 10 years under the extremely complex and dangerous circumstances of the "Cultural Revolution"? This is a very complicated question that requires a correct explanation. In addition to the above-mentioned factors like the support of Mao Zedong, we have to touch upon Zhou Enlai's unique form of struggle.

As a mature Marxist and long-tested proletarian statesman, since the beginning of his sensing of the abnormality of some specific issues of the "Cultural Revolution," Zhou Enlai gradually came to understand the tragic, disastrous, and protracted nature of the "Cultural Revolution." Of course, this could only be within the scope allowed by historical conditions at that time. Under the circumstances of his battle companions and the other leaders of the party and state being overthrown or ousted for various reasons, the heavy task of trying to minimize the damages wrought by this chaos of the "Cultural Revolution" historically fell on the shoulders of Zhou Enlai. This was an extremely arduous and special struggle. Here, the serious mistakes of the leader of the party were intertwined with the wanton persecution and abominable outrages of the two counterrevolutionary cliques of Lin Biao and Jiang Qing. While persevering in the erroneous guiding principle of "leftism," the leader also checked and rectified some specific errors. Lin Biao, Jiang Qing, and their like not only represented the most violent and wicked counterrevolutionary cliques, but also occupied the leading legal positions within the party at that time. These and more presented an extremely complicated situation. Therefore, in order to win the struggle, people could not just depend on their revolutionary courage, otherwise they "would butt their heads against the wall" as Lenin said. Only by proceeding from the intricate and complicated reality, making their own forms of struggle suit the possibilities of objective conditions and the needs of the struggle, and "integrating their boundless loyalty to communism with their talent at being adept in employing all the necessary tactics of compromise, flexibility, accommodation, outflanking, withdrawal, and so on," ("Selected Works of Lenin," Vol 4, p 248) could they possibly win the struggle.

Precisely under such extremely complicated circumstances as the "Cultural Revolution" did Zhou Enlai, as a mature Marxist, demonstrate his talent for highly integrating the unshakable fighting spirit with flexible tactics and show his consummate art of struggle. On the one hand, the "Resolution Regarding Some Historical Questions of the Party Since the Founding of the PRC" states that "he was boundlessly loyal to the party and the people and gave his best and all." When the party and the country were in great danger, he stepped forth bravely and waged a resolute and courageous struggle against the sabotage of the Lin Biao and Jiang Qing counterrevolutionary cliques. On the other hand, he took the interests of the whole into account, paid attention to tactics, adopted a sober-minded and rational attitude to proceed from the actual results of the struggle, and firmly grasped the proper limits and degree of the struggle to try to avoid any more unfortunate situations at a time when the party and the country had already faced great danger. To employ a vivid metaphor, we can say that, in the terrifying waves of the "Cultural Revolution," Zhou Enlai, like a weather-beaten and experienced old sailor, firmly held the helm, cautiously dodged various whirlpools and submerged rocks amid the rapids and shoals, and steadfastly sailed to the set objective while trying to reduce the losses and maintain the continuous operation of the state, to adroitly correct the mistakes of the "Cultural Revolution" and wait for an opportunity for a change in history and the general awakening of the broad masses of the people. Zhou Enlai himself once used a vivid example to illustrate his attitude towards the "Cultural Revolution." While comparing this violent and ferocious "Cultural Revolution" with rising, surging ocean currents, he said that when the tide comes in, there is playing with the waves, being swallowed by the waves, and watching the waves. If people feel frightened, they might be swallowed by the waves. If they stand aside, this is watching the waves. He then quoted Lu Xun to show his own attitude: To be a revolutionary swimmer is to play with the waves, to surf on the waves, and to adroitly meet them. With such a belief he handled all the complicated situations in the violent storm seas of the "Cultural Revolution."

Zhou Enlai adopted an analytical attitude towards the leader of the party. Regarding Mao Zedong's correct opinions at that time or the correct ideas put forward in history, he always resolutely implemented them and tried to develop them as much as possible. Among the typical examples are "the namelist of cadres who should be protected" and "to abolish the fascist investigation patterns" included in the last volume of the "Selected Works of Zhou Enlai." Another example was in following the idea of "grasping revolution and promoting production," as raised by Mao Zedong at the work conference of the central authorities in October 1966. Zhou Enlai immediately took it as a powerful weapon in the struggle against "stopping production to make revolution" instigated by Lin Biao, Jiang Qing and their like, until this slogan became synonymous with "grasping production" in the minds of the vast numbers of the people. Another example is that in January 1972, Mao Zedong personally attended the memorial meeting in honor of Chen Yi. When receiving Zhang Qian, the wife of Chen Yi, he said that Chen Yi was a good man as well as a good comrade and if Lin Biao's conspiracy was successful, all of us old men would be killed. He said that the nature of Deng Xiaoping's case belonged to the category of contradictions among the people. Upon hearing his, Zhou Enlai was very glad and hinted to the children of Chen Yi to try to spread this idea around. Consequently, this incident helped bring about the reinstatement of Comrade Xiaoping.

In dealing with Mao Zedong's "leftist" erroneous ides, in light of his own understanding, Zhou Enlai always aired his views and raised his suggestions within the possible limits or tried to explain and guide them from a positive viewpoint. For example, in October 1966, Mao Zedong proposed to "resolutely repudiate the reactionary line of the bourgeoisie." Regarding this, he paid a special visit to Mao Zedong and aired his views, saying that we had mentioned either "leftism" or rightism in the past when dealing with the question of lines within the party, but never "the reactionary line of the bourgeoisie." Was it appropriate to put the question in this way? However, after Mao Zedong still persisted in his viewpoint, Zhou Enlai reserved his own opinion.

In many subsequent interviews with the representatives of the masses, he repeatedly emphasized that to commit the mistake of "the reactionary line of the bourgeoisie" was only a matter of understanding and belonged to the category of contradictions among the people. It should be pointed out here that it wasn't easy to be able to do this under the conditions at that time. While reviewing the history of the "Cultural Revolution," Marshal Xu Xiangqian once said: At that time, the rebellions, the seizures of power, and the criticisms and repudiations of veteran cadres were very violent. However, none of us could say this to Chairman Mao. Influenced by the awesome power of Chairman Mao, none of us could do anything about it! Later, following Mao Zedong's proposal "to bombard the headquarters" raised at the 11th Plenary Session of the 8th CPC Central Committee, some Red Guards copied this saying and "bombarded everything" everywhere. In the face of this phenomenon, Zhou Enlai patiently enlightened the Red Guards and repeatedly stressed these viewpoints: "You should not misinterpret the bombardment of the headquarters as Chairman Mao's call to bombard all the party and government organizations." "You should not lash out in all directions and bombard all the headquarters." "It is not true that all the party and government leaders are capitalist roaders. If you view in this way, is there a place for the party Central Committee? If you have such a viewpoint, can Chairman Mao exercise his wise leadership?"

In dealing with the questions of the Lin Biao and Jiang Qing counterrevolutionary clique, as they respectively occupied important positions within the party at that time and their counterrevolutionary nature was not yet fully exposed, Zhou Enlai waged various forms of struggle against them within the scope of inner party struggle.

First, regarding some important questions, he tried to gain the support of Mao Zedong as much as possible and waged tit-for-tat struggles against the perverted actions of the Lin Biao and Jiang Qing counterrevolutionary cliques. Zhou Enlai paid special attention to this point and could only do as much as possible under the historical conditions of the time. As a result, many things were done by him with the support and connivance of Mao Zedong. For example, the question of protecting cadres: After the seizure of power in January 1967, the persecution of cadres in every region and department became increasingly serious. To cope with the situation, after emergency discussions with comrades like Li Fucun, Chen Yi, Li Xiannian, Tan Zhenlin, and others, Zhou Enlai worked out a namelist and reported it to Mao Zedong for approval. He let 20 to 30 ministers of all the ministries and commissions of the State Council, like Liao Chengzhi, Wang Zhen, Yu Giuli, Gu Mu, Fang Yi, Yao Yiling, and so on, take turns living in Zhongnanhai, and invited the secretaries of some major regions and secretaries of provinces and cities who were then in very difficult positions, such as Song Rengiong, Li Jingquan, Wang Renzhong, Ye Fei, Jiang Hua, Huang Huoqing, Wang Henshou, and so on, to Beijing and took great pains to help them settle in reliable places for protection. Jiang Qing and her like were extremely upset about this. At the regular meetings of the Cultural Revolution Group of the central authorities, they joined together to attack Zhou Enlai, questioned him closely about the whereabouts of these people, and charged him with disbelieving in the revolutionary masses' struggle by reasoning, discouraging their revolutionary enthusiasm, and protecting the capitalist roaders. In waging face-to-face struggles, Zhou Enlai fought back and said: I just do not abide by your "struggle by reasoning," and small or big struggles. This is fiercer than the ruthless struggle and merciless blows of the line of Wang Ming. Who will be responsible for the people driven to death? Thus doing, he resolutely fought back.

Second, he expertly combined firm principles with flexible tactics. For instance, in the summer of 1967, the struggle by force in the Anshan Iron and Steel Company was grave, resulting in the shutdown of many furnaces and the sharp decrease in production. Zhou Enlai was extremely worried and decided to send Li Fucun to Anshan to solve the problem. The Cultural Revolution Group of the central authorities objected to this in the first place, and then decided that Li Fucun should go together with the people they wanted to send.

Zhou Enlai knew that this would produce more chaos for the Anshan Iron and Steel Company. Therefore, he adopted the method of "delay" saying that the conditions were not yet ripe and that they should discuss it again several days later. When Jiang Qing and others accused him of not supporting the work of the Cultural Revolution Group of the central authorities in connection with this matter and "only grasping production but not the Cultural Revolution," Zhou Enlai said: What would the people eat and use if they did not grasp production and construction? What would they rely on for revolution? Later, after consultations with Liaoning Province, he sent troops to put the Anshan Iron and Steel Company under military control.

Third, while never giving in on important matters of principle, he also made some necessary compromises and concessions. For example, during the preparatory process for the Fourth National People's Congress, because Jiang Qing, Zhang Cunqiao, and others tried hard to put their trusted followers in educational, cultural, and sports departments, after discussions with Deng Xiaoping, Li Xiannian, and others on several occasions, Zhou Enlai held that it was appropriate the let Zhou Rongxin take charge of the Education Ministry as it was important, while he could make concessions in the cultural and sports ministries. By waging this resolute and tactful struggle, Zhou Enlai won the support of Mao Zedong and foiled the scheme of the Jiang Qing counterrevolutionary clique to seize the leadership of the party and the state through the reshuffle.

Fourth, for reasons known to all, when his correct ideas were negated, Zhou Enlai continued to strive to set matters aright in a roundabout way. In 1972, in order to promote the cricicism of the ultraleftist trend of thought, Zhou Enlai, who was then busy receiving the Japanese Prime Minister Tanaka, managed to find time to discuss the drafting of the National Day joint editorial of RENMIN RIBAO, JIEFANGJUN BAO, and HONGQI with the relevant personnel on a number of occasions. He proposed that the editorial mention the necessity of criticizing the ultraleftist trend of thought. But his idea was opposed by the Jiang Qing counterrevolutionary clique. Yao Wenyuan, who was in charge of propaganda work, twice deleted the passage about criticizing ultraleftism. Although the editorial did not include the words about criticizing the ultraleftist trend of thought, it still pointed out the harmful influence of ultraleftism in various fields and positively called for "speeding up the pace of socialist construction," "continuing to implement the cadre policy, intellectual policy, and economic policy formulated by Chairman Mao in line with proletarian interests," and "encouraging people to be both 'red and expert' and to acquire professional, cultural, and technical knowledge for the purpose of revolution." This still exerted a positive influence.

Fifth, he used silence as a means of resistance and was ready to endure humiliation in order to wait for the coming of a historical turning point. Throughout the historical tragedy of the "Cultural Revolution," the inner-party political life was extremely abnormal and there was no way to express one's opinion through a normal channel. Meanwhile, Zhou Enlai was always regarded by the Lin Biao and Jiang Qing counterrevolutionary cliques as a major obstacle in their attempt to seize the party and state leadership. They always tried to kick Zhou Enlai out of the power structure. Therefore, every move of Zhou Enlai concerned the destiny of the party and the state. If he was not sober and cautious enough, he might leave some pretext for the Lin and Jiang cliques, who always watched him closely in order to knock him down in the political wrestle; and more seriously, this might bring more terrible misfortune to the party and the nation, which had been put in a very dangerous and difficult position. Zhou Enlai soberly realized this point in those days. Therefore, apart from carrying out face-to-face struggles against the Lin and Jiang cliques on some important issues, he often kept silent and used silence as a means of resistance and struggle. How did Zhou Enlai pass those days and nights when the party and the nation were suffering heavily! Jiang Qing, who relied on her special position, led her followers and members of the Lin Biao clique to attack Zhou Enlai at almost every meeting. They made trouble, found fault, cooked up charges, exaggerated problems, and endlessly pestered Zhou Enlai. This inflicted untold mental torture upon him.

However, Zhou Enlai endured all humiliation and swallowed all insults and tenaciously insisted on working and struggling for the supreme interests of the party and the nation. He made painstaking efforts to wrestle with the Lin Biao and Jiang Qing counterrevolutionary cliques in order to prevent them from taking advantage of any opportunity. Not only did many ordinary comrades not understand Zhou Enlai on this point, but some of his old comrades-in-arms over the past decades also failed to completely understand him. For example, Tan Zhenlin wrote with confused feelings in a letter to refute Jiang Qing during the "February resistance" in 1967: "Comrade Premier, you have been terribly troubled by them. You are broad-minded. You can handle such things easily and can exercise restraint, but how can you wait and wait? How long will you wait? Even misunderstood by his comrades, Zhou Enlai did not give any explanation. He just tenaciously and persistently went his way toward the goal he had determined. He firmly believed that he would eventually be understood by the people and by history. When the "February resistance" came to an abortive end, Zhou Enlai disregarded the Lin Biao and Jiang Qing cliques' accusation that he was the "behind-the-scenes backer" for people who staged the "February adverse current" and tried by every possible means to protect the old comrades who were wrongly criticized in spite of the fact that he himself was also in a difficult position. His effort to put Chen Yi under his protection was a well-known and touching example. In addition, when Zhou Enlai learned that Tan Zhenlin fell and broke a bone, he asked Wei Guoqing to take care of Tan and ensure medical treatment for him. In December 1972, after Mao Zedong inquired about the condition of Tan Zhenlin, Zhou Enlai immediately wrote a letter to a responsible person, saying that Tan Zhenlin is a good comrade. "The Huairentang incident was caused deliberately by Lin Biao, who was then trying to overthrow a large number of old comrades." "Tan Zhenlin should be allowed to return to Beijing." As a result of Zhou Enlai's efforts, shortly after that, Tan Zhenlin was allowed to return to Beijing.

As an old saying goes: The force of the wind tests the strength of the grass, and the true and faithful can be easily spotted in time of trouble. At the critical moment when the party and the nation experienced unprecedented turmoil, Zhou Enlai shared weal and woe and went through thick and thin with the whole party and with the people. He shed his heart's blood and took infinite pains to struggle against the historical tragedy in our country, showing his faithfulness and dedication to the party and the people and making the final years of his life shine with great brilliance. He could not use his own hands to bring an end to the turmoil, but he used his flesh and blood to pave a tortuous path toward that goal and laid the foundation for the eventual termination of that historical disaster in China. His meritorious deeds in this regard will never fade away in history, and his immortal name will always remain in the hearts of the people and will always earn the respect of the world.

ZHU MUZHI ON CULTURAL DEVELOPMENT STRATEGY

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[Speech by Zhu Muzhi at a forum on strategies for cultural development: "Several Questions To Be Taken Into Consideration in Formulating Strategies for Cultural Development"]

[Text] The issue of the cultural development strategy is a big issue of great importance. Culture can be approached in a broad sense or in a narrow sense. The scope of work handled by the Ministry of Culture is rather narrow. In fact, the Ministry of Culture cannot shoulder the task of studying the strategy for cultural development. But I agree with the holding of such a meeting and also agree to discuss cultural development in a broader sense. In the past, the Ministry of Culture merely approached matters from the narrow scope of its work. So our vision was not broad enough. Now many comrades have discussed this issue from a broad point of view. They have given us great help. Of course, the Ministry of Culture can only take action in the fields which are under its jurisdiction.

The issue of strategy has a bearing on the overall situation. So on cultural development strategy should not merely deal with cultural work itself; instead, it should place cultural work in the development of the whole country in all fields. In the next few decades, our socialist modernization program will be divided into three major stages: In the first stage, which extends to the year 2000, we will quadruple the industrial and agricultural output value and raise the people's living standards to a comparatively high level; in the second stage, which covers the first 2 or 3 decades of next century, we will build China into an intermediate developed country; and in the third stage, we will raise the level of China's economic development and rank China among the advanced countries in the world by the middle of the next century. Then China will become a prosperous and powerful, socialist modern country. When formulating the cultural development strategy, consideration should be given to the development of things in the political, economic, and diplomatic fields in the three stages and be given to the overall social development and the trend of changes. Only by studying these issues can we place culture in a correct position and realize what requirements our culture should meet in the future periods. As the last two stages are still far away and it is difficult for us to consider the cultural development from now to the end of this century. This may be more realistic.

The economic structural reform in our country is bound to give rise to major changes in people's economic life, cultural life, and lifestyle. Our cultural development strategy should be suited to these changes and should make contributions to these changes. Like economic workers, we should also make in-depth investigations to gather large quantities of data and materials. For example, what will the people require in their cultural life after their living standards rise to a comparatively high level? How much money will they spend on cultural items? We should calculate and forecast these things scientifically. At the same time, we should also consider the possible changes in people's minds.

I have a tentative idea. That is, the content of the cultural development strategy can be divided into three parts: ideological construction, knowledge enhancement, and the development of cultural facilities.

Ideological construction should be focused on communist ideology. That is, people's consciousness should be raised and they should be encouraged to establish a firm communist belief. This issue is complicated and important and it also involves many concrete issues, such as how to correctly treat Chinese and foreign cultures both in ancient and modern times, how to judge right and wrong, how to set standards for permission, how to distinguish quality from slipshod work, and how to coordinate improvement and popularization. Cultural construction is also a big issue concerning the improvement of the educational level of the whole nation. At present, there is still a large number of illiterate people in the country. The Ministry of Culture has also done its best to solve this issue. We should work out an overall arrangement for raising the scientific and educational level of the whole nation through the formulation of the cultural development strategy. Apart from the above two issues, we also have to develop our cultural facilities. The building of a spiritual civilization also relies on a material foundation. Without necessary manpower and material resources, it is impossible to conduct the building of a spiritual civilization. Now our cultural facilities remain backward. In our capital, so far we have not yet had a national theater and an art museum for displaying outstanding art works on a permanent basis. It was not long ago that we had no small concert hall. The development of cultural facilities is an important part of our cultural development in general.

Our cultural development strategy should be in harmony with economic development strategy. We may say that there is now a disproportion between economic development and cultural development. When I went to some provinces, I found that their per capita cultural expenditure was merely 0.05 yuan. If this proportion remains unchanged, it will be hard for us to simultaneously develop the two civilizations. The national expenditure for culture and education has also increased too slowly. It is hard to say how much money has really been appropriated for various cultural units. Therefore, some people have proposed that money be earmarked for cultural purposes. Now many cultural units are complaining and they need money. Without money they cannot do anything. For example, libraries hold an important position in the development of the two civilizations. We emphasize that respect should be shown for knowledge and people of learning. Libraries are places where knowledge is concentrated. However, the conditions in our libraries are very poor. I have visited a provincial library where, when the temperature fell to around 0 degrees, the windows of the reading room had no glass panes and a ragged blanket was used to shelter the room from the wind. The room was full of people, but there were very few seats. How could such libraries meet the needs of the people? We must make careful investigations to find a way to coordinate cultural and economic development and to find out how much money the state should invest in cultural facilities.

When formulating the cultural development strategy, we should also study reforms in the cultural field. Without reform there will be no new situation. So reform should be included in the development strategy. The CPC Central Committee's proposal for the Seventh 5-Year Plan points out that some explorations should be made to promote reforms in the cultural field. Such explorations are under way, and some cultural and art units have been trying to reshape the system. But further studies are necessary to find a reasonable arrangement of things. For example, many theaters and cinemas have found that their incomes are falling, and many theatrical companies have encountered economic difficulties and have suffered losses. How should we solve these problems? In the long run, with the popularization of TV and video recorders, the box-office income of theaters and cinemas will continue to fall (of course, they will still have an audience). So the development and arrangement of drama and movies must be suited to this state of affairs. As another example, the cultural facilities run by CYL organizations and trade unions are much better than those run by the units under the Ministry of Culture. Industrial enterprises have money to organize cultural activities, but the cultural units are very poor. Henceforth, when planning cultural development, we should also consider the abilities of trade unions, CYL organizations, and enterprises.

Reform of the system for cultural and art work must comply with the objective rules governing the development of culture and art. At present, most cultural facilities are run by administrative means. We should study this issue and work some measures to change this management pattern. Reforms will touch the operation of the cultural facilities. People generally agree with the principles on the relationship between economic results and social results. But it is not easy to handle some concrete issues. For example, many cultural stations and cultural bureaus are very poor. Can they also do business to increase their incomes in order to develop cultural services? In the previous period, trouble appeared because some cultural units provided services in a commercial way. But if they stop those profitmaking businesses, they will not be able to provide better services for the public, because they can get very limited funds from the state and some of them can only use the money to pay personnel.

When formulating the strategy for cultural development, we should pay attention to the training of cultural workers. We should seriously study how many talented people we should train in every period and should learn the situation in the movement of trained personnel. The present problem is some institutions are overstaffed and have become unwieldy but many people cannot really display their abilities.

The last point I want to mention is the issue of leadership. The party must exercise leadership over culture. This is beyond question. However, how to exercise this leadership is a big question. In recent years, the central authorities have made great efforts to promote cultural development, and things in the cultural field have changed greatly. But problems still exist in large number. How to exercise leadership is also a question that concerns legislation. That is to say, we should consider what laws should be enacted and what are most urgently needed. We should study these questions in a serious and down-to-earth manner.

FINANCE OFFICIAL SPEAKS ON TREASURY BONDS

OW230941 Beijing XINHUA Domestic Service in Chinese 0752 GMT 19 Jan 86

[Text] Beijing, 19 Jan (XINHUA) -- A responsible person of the Ministry of Finance recently replied to questions from XINHUA reporters on some issues relating to treasury bond regulations.

Question: Could you review the issuance of treasury bonds in China over the past several years? What role have treasury bonds played?

Answer: China has issued a total of 23 billion yuan of treasury bonds in a period of 5 years since 1981, exceeding the target by 7.7 percent. Aside from using a portion of the funds raised by the issuance of treasury since 1981 to make up for the financial deficit of the preceding year, the funds have been used for the development of key construction projects and other undertakings in accordance with unified state plans. The issuance of treasury bonds has played a positive role in China's national economic development and the building of the four modernization.

Question: Compared with previous years, what changes have been made in the issuance of treasury bonds in 1986?

Answer: The interest rate for treasury bonds issued this year has been raised. The annual interest rate for treasury bonds purchased by units has been raised from 5 to 6 percent, higher than the interest rate offered by banks to units for time deposits of 3 or more years. The annual interest rate for treasury bonds purchased by individuals has been raised from 9 to 10 percent, also higher than the interest rate for bank savings deposits.

Question: What are the prominent issues with regard to the issuance of treasury bonds in 1986?

Answer: First, we must properly mobilize propaganda work. The treasury bonds have been issued for some years; their significance is understood by most people. However, there are still some people who do not clearly realize this significance. Hence, it is necessary to vigorously publicize the significance of issuing treasury bonds. Second, we must work for a more rational allocation of treasury bonds. The allocation of treasury bonds among workers and peasants must be conducted in the light of their incomes and actual purchasing power. Those with a higher purchasing power should be encouraged to buy more while those with a lower purchasing power should be allocated a smaller number of treasury bonds. Those who still have difficulties in their livelihood and are thus incapable of buying any treasury bonds should not be allocated any at all. The allocation of treasury bonds among units should be done proportionately, according to their respective financial resources, that is, according to their available extrabudgetary funds and the profits retained after paying taxes.

The responsible person told the XINHUA reporters: Because the issuance of treasury bonds involves many factors, the concerned departments must closely coordinate their efforts and do a good job in carrying out this task.

FUJIAN'S XIANG NAN ON DEVELOPING ECONOMY

OW231405 Fuzhou FUJIAN RIBAO in Chinese 11 Jan 86 p 1

[Excerpt] "Village and town enterprises must be developed actively and the economy must be invigorated by various means," stressed Comrade Xiang Nan at a conference held in Fuzhou City for representatives of village and town enterprises, rural specialized households, and economic associations. The conference dealt, in part, with support for poor households.

Comrade Xiang Nan made these remarks at the conference after visiting four neighborhood factories in Fuzhou City. He said: Fujian Province's gross industrial and agricultural output value in 1985 grew by some 20 percent, but the output value of village and town enterprises jumped 75 percent. What growth rate should we adopt in 1986? It is not good for the growth rate to be too fast or too slow. The growth of the economy must be compatible with actual conditions. We must fully tap the potential of the masses, the mountains, and the sea, while taking into consideration the various limiting factors. We must activate the economy instead of strangling it.

Comrade Xiang Nan continued: In "supporting poor households in achieving prosperity" and in developing village and town enterprises and neighborhood industry, we must, besides strengthening party and government leadership, pay particular attention to the role of the industrial, commercial, and banking sectors and the tax departments. These sectors and departments must pool their principal efforts to develop production, activate the economy, and earn more foreign exchange. We must energetically support the masses in raising funds. With the banks curtailing loans, the state making no investments, and the masses prohibited from raising funds, how can the economy be developed? It was a great, laudable event that the masses in our province raised 420 million yuan in 1985 for developing communes and production-brigade-run enterprises. What is wrong with the masses pooling their money to run small factories? It is a good practice: nothing is wrong. It is hoped that the concerned departments will support and assist village and town enterprises and spur on the work of "supporting poor households in achieving prosperity."

JIANGXI ISSUES CIRCULAR ON UNHEALTHY PRACTICES

OW232347 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Jan 86

[Excerpts] The Jiangxi Provincial CPC Committee issued a circular on 16 January, calling on all party members and cadres throughout the province to conscientiously study and implement the speeches by Hu Yaobang and other leading comrades at the conference of cadres of central organs, start with provincial-level organs and the leadership, unite as one from top to bottom, and strive to bring about a fundamental change for the better in party style in the province. The circular pointed out:

1. It is necessary to organize party members and cadres to earnestly study the speeches of the central leading comrades. The leading cadres at all levels must take the lead in studying, preparing and implementing reforms in close connection with the local conditions.

2. It is essential to study the aforementioned speeches while carrying out party rectification, put the guidelines laid down by the speeches into practice and achieve actual results. To improve party style, the key lies in practice. Various units must sum up their experiences, analyze the actual party style situation in close connection with the local conditions, and carefully check the existing problems in their own unit. As far as our province is concerned, we must combat the six unhealthy practices -- the unhealthy tendency of party and government organs and

cadres doing business and running enterprises, and leading cadres' sons, daughters, and spouses engaged in commercial activities in violation of party discipline; the unhealthy trend of making use of public funds to present gifts and abusing one's authority in accepting gifts, and of offering and receiving bribes; the unhealthy practice of using public funds for extravagant eating and drinking in violation of government regulations; the unhealthy tendency of showing off and spending money without measure and buying automobiles, particularly high-class limousines; the unhealthy trend of party members and cadres building and dividing living quarters in violation of government regulations; the unhealthy practice of playing tricks to seek private interests.

[illegible] imperative to investigate cases violating state laws and party discipline, particularly cases involving major offenses. The party committees and discipline inspection commissions at all levels must carefully investigate and handle each case in correcting unhealthy tendencies. They must handle each case directly they finish investigating each case. They should handle each case and make use of it to educate the general public. In no way should they tolerate evil, merely saying that this is not to be repeated.

4. It is necessary to carefully check and implement the system and the enforcement of party discipline. Efforts must be made to continuously implement those rules and regulations on how to run party and government organs, as long as they are effective and practical and meet the requirements of improving party style.

5. The party committees at all levels must strengthen their efforts in checking cadres' proficiency, while trying hard to improve party style. It is essential to promote to leading posts those comrades with strong party spirit and fine party style, who dare to oppose and resist unhealthy tendencies. We must quickly readjust leading bodies of those units refusing to improve their poor party style or to strengthen their leadership in combating unhealthy tendencies, and resolutely remove from leading posts those people who are fond of carrying out illicit practices, are evil-minded and who seize every opportunity to trickery to gain private interests deviate from the party's line, do little in the way of actual deeds, abuse their authority to seek personal gain, and cut themselves off from the masses.

SHANGHAI CIRCULAR ON STUDYING LEADERS' SPEECHES

OW221255 Shanghai City Service in Mandarin 0100 GMT 22 Jan 86

[Text] The Shanghai Municipal CPC Committee recently issued a circular calling on party and government organizations at various levels in Shanghai to organize all party members and cadres, especially leading cadres of municipal-level organizations, to seriously study the speeches made by central leading comrades at the meeting of cadres of central organs and to be models in improving party conduct.

The circular says: We must use the study as a powerful motive force in promoting reform work and the policy of opening to the outside world and doing a good job in all our work. We must constantly raise our work efficienty and quality.

The circular emphatically points out: We must strictly and firmly observe discipline and the regulations formulated by the party Central Committee and the State Council. It points out: We must be firm and have the courage to step up the crackdown on major and serious cases.

SHANGHAI'S JIANG ZEMIN ON ECONOMIC CRIMES

OW240240 Shanghai City Service in Mandarin 0100 GMT 22 Jan 86

[Excerpts] The Discipline Inspection Commission and the Political and Legal Commis-

sion under the Shanghai Municipal CPC Committee jointly called a meeting yesterday afternoon to severely punish serious economic criminals.

Jiang Zenin, deputy secretary of the municipal party committee and mayor of the municipality, attended and addressed the meeting.

After the first instance of 12 serious economic cases involving 30 criminals, the municipal Intermediate People's Court pronounced judgments on them according to law.

Wu Shengming, a major speculator and swindler, was sentenced to death yesterday for having defrauded people of more than 500,000 yuan between August 1984 and May 1985.

Ji Yonghe, a thief, was also sentenced to death for having stolen over 108,000 yuan worth of industrial materials.

In his speech at the meeting, Mayor Jiang Zemin said: Party committees, discipline inspection commissions, and judicial and public security organs at various levels should focus their attention primarily on discovering, investigating, and handling major or serious cases. All such cases must be thoroughly investigated no matter how complicated they are or what organization and cadres are involved. In sternly dealing with these cases, it is essential to uphold the principle that everyone is equal before the law.

Mayor Jiang said: Economic criminal activities are very serious in the current situation. Some people have been taking advantage of the implementation of reforms and opening to the outside world to wantonly commit various economic crimes. The large amounts of money involved and the serious circumstances of such cases have rarely been seen since the founding of the PRC. Some of these cases involved hundreds of thousands or millions of yuan. In the municipality last year, 3,196 economic criminal cases were placed on file for investigation and prosecution, an all-time high in recent years. Economic criminal activities are wisespread in some localities, where leading cadres are bureaucratic to a serious extent and have no idea of how things stand. Some of these leading cadres are even taken in time and again. Leading cadres of a very small number of units -- whose activities are also questionable in money matters -- are afraid that they will be implicated if certain cases are discovered. This is why they have set up obstacles to the investigation of such cases.

Mayor Jiang pointed out: It should be understood that those engaged in graft and embezzlement naturally must be punished according to law. And bribery is also a violation of the law. So both those who offer bribes and those who accept bribes should be investigated. Serious cases of bribery must not be dismissed lightly as unhealthy tendencies, and those involved in such cases must be investigated. It is necessary to crack down on speculation and swindling activities. Responsible cadres and other personnel who have given the green light to speculation and swindling activities should all be dealt with according to law no matter whether or not they have lined their pockets with ill-gotten gains. As for those members of enterprises and institutions who have collectively committed crimes, the chief plotters and those involved should be investigated.

In conclusion, Mayor Jiang said: It is a long-term, regular, and important task of the entire party to crack down on grave economic criminal activities. This struggle must be carried out resolutely and persistently. Party committees at various levels should give priority to the struggle. Discipline inspection commissions, judicial and public security organs, customs offices. and industrial and commercial administration departments should coordinate closely with one another and work with one heart and one mind to deepen the struggle against grave economic crimes.

LIANG XIANG ON CONSTRUCTION, DEVELOPMENT IN SHENZHEN

HK061101 Beijing JINGJI RIBAO in Chinese 11 Dec 85 p 3

["Excerpts" from report given by Comrade Liang Xiang, secretary of Shenzhen CPC Committee, at meeting of cadres of organs directly subordinate to central government: "Construction and Development in the Shenzhen Special Economic Zone"]

[Text] It has been more than 5 years since the establishment of the Shenzhen Special Economic Zone [SEZ]. How has the SEZ been faring? What are its developmental prospects? People throughout the country are concerned with this problem.

In December 1978, the 3d Plenary Session of the 11th CPC Central Committee adopted the guideline of "opening up to the outside world and invigorating the internal economy." How to open up to the outside would was a new problem. It required probing on various sides. One of the methods was to designate certain areas along the coast to experimentally establish special economic zones so that, following the gaining of experience, further extension and progress could be made. In May 1980, the central authorities decided on the establishment of "special economic zones." In August of the same year, the NPC Standing Committee promulgated the "Regulations Governing Special Economic Zones in Guangdong Province" and formally sanctioned the establishment of the Shenzhen, Zhuhai, and Shantou special economic zones.

The Shenzhen SEZ was established under the direct concern and leadership of the CPC Central Committee, the State Council, the Guangdong Provincial CPC Committee, and the Guangdong Provincial People's Government.

Our understanding of the strategic tasks of the SEZ has gradually deepened and continuously improved. In the initial period of the establishment of the SEZ, our attention was more taken up by solving the labor employment problem, bringing prosperity to the local economy, and stabilizing social order along the border areas. Moreover, due to the influence of the patterns of "export processing zones" and "free trade zones" of foreign countries, we thought that the SEZ should be closed to the interior and thus neglected economic combination with the interior. The structure of the SEZ also followed the pattern of the interior.

When Comrade Ziyang visited Shenzhen, he said: "Reform of the structure of the SEZ should lead it away from the existing structure." In early 1983 when Comrade Yaobang visited Shenzhen, he pointed out that the SEZ should "handle special matters in a special way, new matters in a new way, not waver in its stand, and find completely new methods." In the spring of 1984 when Comrade Xiaoping visited the SEZ, he pointed out that the it should be the "window of technology, window of knowledge, window of management, and window of external policy." At the end of the same year, Comrade Ziyang again visited Shenzhen and pointed out that the faculty of the special zone "window" should play the important role of casting light on the exterior and interior "screens." These important directives from the leadership comrades of the central government have enabled us to make a new leap forward in our understanding of the strategic tasks of special zones.

We understand that the tasks borne by special zones may be generalized into three separate categories: First, introduction of advanced technology, interpretation of information, learning from scientific management methods, and playing the role of a pivot, radiating to the "four windows" and two "screens"; second, serving as the experimental ground for structural reform, and through the reform of the special zones and summing up the experiences therefrom, providing the interior with beneficial references; and third, serving as the base for personnel training, so that through the special zones' practice, many more cadres will be able to learn the capabilities of organizing domestic construction and developing external economic relations.

I. Achievements of the SEZ

In founding an SEZ in a socialist country, there is no precedent from which to copy. We have followed the wishes and demands of the central authorities and groped our way forward. Over the past 5 years and more, we have principally performed certain types of foundation work.

1. Establishing a relatively good investment environment

Shenzhen was originally a desolate village on the border with extremely poor basic facilities, particularly in the energy, telecommunications, and transportation sectors. It was obviously impossible to rely on an area of paddy fields, bare hills, and wild country to attract foreign capital, introduce advanced technology, and run modernized factories. Hence, in the past several years we have centralized a large force of manpower, financial power, and material resources and seriously undertaken the construction of fundamental engineering projects, endeavoring to create a lucrative investment environment.

We have followed the guideline of planning one project, developing that project, and reaping benefits from it, and, in a planned and systematic manner, have carried out the basic engineering projects of the new city area of Luohu and Shangbu, and area of 36 square km. The construction of "seven categories of projects and leveling of land" included installation of electric power, thoroughfares, waterworks, and telephone facilities, flood prevention, and prevention of environmental pollution, and the leveling of land. In all, over 80 city thoroughfares with a total length of over 100 km were newly built or extended. The three industrial zones of Shekou, Shangbu, and Bagualing were built with certain facilities initially completed. In addition, intensive construction work was in progress on four more industrial zones, including Shahe. A number of cultural, tourism, and commercial service facilities, city building projects, and dormitories for staff members and workers were also completed. At the same time, imporvements of conditions in the energy, transportation, and telecommunications sectors were made. On the energy side, foreign capital was introduced to build the Shajiao thermal power plant with a generating capacity of 700,000 kilowatts. The first generating set, with a 350,000 kilowatt capacity, will be in operation in the third quarter of 1987. In communications, a helicopter airfield was built, building work was completed on four wharves in the port area, and a water-land communications and transportation network was initially completed. In the field of telecommunications, 11,000 sets of long distance-capable telephones were available for use for direct communication with Hong Kong and a score of cities and towns in the interior.

After several years of effort, a favorable investment environment for attracting foreign capital has been initially created.

In these several years of capital construction, the aggregate investment made amounted to about 6 billion yuan. In capital construction, the total area completed covered some 8.08 million square meters of land. The composition of the sources of funds was as follows:

About 20 percent from introduction of foreign funds;

About 27 percent raised by the city itself;

About 12 percent invested by domestic joint enterprise in Shenzhen organized by the ministries of the central government and the various provinces and municipalities throughout the country;

About 30 percent from bank loans;

About 3 percent from state investments; and

About 8 percent from other sources (including the projected nuclear power station).

In creating the investment environment, we also grasped economic legislation work and formulated a score of legislative measures, while a number of them are being submitted to the upper level organs for examination and approval.

2. Introduction of foreign capital and advanced technology

In the 5 years of establishment of the SEZ, merchants from 17 countries and regions have come to Shenzhen to invest and to establish enterprises. According to statistics, by October of this year over 4,300 agreements had been signed with foreign merchants. The contracts involve a gross investment of $3.1 billion, of which $840 million has already been put to use. This represents one-seventh of the total direct foreign investment in the whole country. Over 30,000 sets of various kinds of equipment have also been introduced, including machines for making electric cables and electric wires, plastics setting, machines, air-flow weaving machines, automatic electronic inserting machines, hole punch machines for the printing trade, production lines for laser audio-visual systems, production lines for hollow glass blocks, production lines for knitted plastic bags, processing equipment for precision molds; equipment for making magnetic fluid for magnetic tapes, equipment for making microelectronic circuits, large equipment for injecting plastics; equipment for making hard plastic plates, production technology for equipment for satellite earthstations, advanced formulae for electroplating additives, electrically-heated air-flow rotating sintering furnaces, and so on. All this technical equipment is at the advanced level of the 1980's. Some fills gaps for us, and some tackles tough problems within the country.

Following the introduction of foreign capital and technology, a number of enterprises in the SEZ financed solely by foreign merchants and (cooperative) enterprises jointly invested in by Chinese and foreign interests have been formed. The operating conditions of these enterprises related to outside investment were in general good, and over 85 percent of them have yielded profits. Some 400 different kinds of their products have found their way into international markets.

We have also developed economic cooperation work with the interior. We have made use of the various superiorities of the interior to solve the problems of our insufficient capital, shortage of talented personnel, and lack of material resources. We have swiftly transferred to the interior the advanced technology we have introduced, and also the scientific management methods and market information and news, thus promoting the interior's economic development. At present, in the municipality there are 969 enterprises jointly operated with the mainland. Of these, 338 are related to the 25 ministries and departments of the central government, 395 to the 27 provinces, municipalities, and regions throughout the country, and 236 to local districts (cities and towns). This shows the support rendered by the country to the SEZ in the fields of technology, capital, and personnel. The internally related enterprises have generally produced good economic results. According to 1984 statistics, the profits made by the internally-related enterprises in the whole SEZ amounted to 500 million yuan, which is equivalent to the total financial revenue produced by the Shenzhen SEZ during that year. In our opinion, under the conditions of equality and mutual benefit, for both parties to obtain economic benefits is a normal phenomenon.

3. Developing a special zone economy with the major emphasis on industry

Industry in the SEZ has achieved great development. Compared with 1979, the number of industrial enterprises has increased from 224 to over 750 at present, an increase of over 300 percent; the size of the staff has increased from over 8,700 people to over 60,000 people, and increase of 700 percent; and the gross industrial output value increased from over 60 million yuan to 1.8 billion yuan in 1984, an increase of 2,900 percent. This year, the gross industrial output value is expected to reach 2.4 billion yuan, an increase of 33 percent over the preceding year. Industry's internal structure has also undergone an obvious change. Whereas, formerly, processing of incoming materials was the chief task, now it has shifted to mainly the self-production of goods. At present there are over 800 varieties of self-produced goods. Among the industries and trades are the electronics. machine-building, textile, light, pharmaceutical, petrochemical, construction materials, and food-processing industries. Starting as mainly labor-intensive, the industries have gradually shifted to being mainly technology-intensive. Of the industrial projects completed in 1984, about 11 percent belonged to the "two intensive types." New developments are taking place this year.

Sales of products are gradually developing in an external direction. In 1984, the gross volume of sales of industrial products amounted to 1.1 billion yuan. Of this, 33 percent were exported abroad, and if we include the portion offset by the exchange of imports, the total external sales amounted to 48 percent. From January to September this year, the volume of sales of the industrial products of the SEZ amounted to 1.3 billion yuan. Of this, 43 percent were exported abroad, and if we include the portion offset by the exchange of imports, the total external sales amounted to 57 percent. At present, the structure of the industries and products of the SEZ are developing the direction of being "light, small, precise, and new."

In agriculture, the SEZ has initiately formed a fairly large base for the production of fresh and live products. At present its production capacity in regard to the principal categories of fresh and live products is as follows: live chickens, 10 million head; large swine, 300,000 head, of which 50 percent are lean-meat swine; milk, 20,000 tons: freshwater fish, 20,000 tons; and vegetables, 180,000 tons. Agriculture is developing in a commercialized, specialized, and collectivized direction.

Relatively large developments are found in commerce, foreign trade, communication, finance, and currency, tourism, restaurant services, culture, public health, and education. In 1980 the municipality's GNP amounted to 2.3 billion yuan. The per capita GNP was 3,700 yuan and the per capita annual national income surpassed $1,000. The GNP in 1985 is anticipated to amount to 2.9 billion yuan. Compared with 1980 (as is also the case below), the 1985 GNP will see an increase of 640 percent; retail sales of social commodities will amount to 2.3 billion yuan, an increase of 1,000 percent; financial revenues are estimated to be 800 million yuan, an increase of 1,300 percent; and foreign exchange earnings belonging to the municipality are estimated to be $660 million. From January to October this year, 879 contracts had been signed with foreign merchants, with the investment amounts totalling over $800 million. The amount of investment funds already in use is over $240 million. Compared with the corresponding period of last year, the respective increases were 9.3 percent, 69.9 percent, and 80.7 percent. A situation of sustained, stable, and all-round development has thus appeared in the SEZ economy.

4. Notable improvements in the standard of living of the populace

Following the special zone's development in production, the standard of living of the people has improved.

In 1984, the per capita income for the people in the SEZ amounted to 1,700 yuan, and 80 percent of the peasants have built new houses. The salaries and wages of staff members and workers in enterprise units have also increased. In externally-related enterprises, the agreements provide that the labor fee should be 800 Hong Kong dollars. For 5 years, there has been no change. In the interval, in Hong Kong, due to currency inflation, the level of wages has risen. As a result, labor wages in the SEZ are approximately one-third that in Hong Kong. As for the state-run collective enterprises, the original wage level was rather low, but because of the influence of externally-related enterprises, it has been gradually raised. At present the social wage level is 200 yuan. Following the reform of the wage level in administrative enterprise units, and with the concurrence of the Ministry of Labor and Personnel and the approval of the provincial CPC Committee and the provincial government the average wage is now 187 yuan, thus bringing about an average social wage level which is "higher than the interior but lower than Hong Kong." However, the increase in wages is lower than the increase in the labor productivity rate. With the reform in wages and the reform in commodity prices progressing simultaneously, and with commodity prices being liberalized while bonuses and subsidies are being abolished, in actuality, the wages in the SEZ are not much higher than in Guangzhou. Following the rise in the standard of living on the material side, spiritual and cultural life have been enriched and improved. Before the formation of the SEZ, there was the phenomenon of an outflow of a large number of people. Now, not only has this phenomenon stopped, but over 1,000 people have returned from Hong Kong to live in the SEZ.

These successes of the Shenzhen SEZ are the result of the central government's deep concern, the correctness of their guidelines and policies, the concrete leadership of the provincial CPC Committee and of the provincial people's government, powerful support rendered by various localities of the country, and the energetic efforts made by the cadres and people of Shenzhen.

The special zone's tasks are still faced with many problems. The main ones are:

First, the competitive power of products of the SEZ on the international markets is still not strong enough. The number of products finding their way directly onto the international markets is not up to expectations. As a result, there is an imbalance between industry's internal administrative expenses and its foreign exchange earnings capacity (for the SEZ as a whole, its foreign exchange earnings are more than balanced).

Second, due to the special zone's overly rapid development, management work has not quite been in step. In certain enterprises, operations and management are in a state of confusion and the economic results are not high. Because the economic legislation and various kinds of regulations and rules are not healthy enough and the economic management, control, and supervision departments have not fully brought their functions and roles into full play, many loopholes exist which have given illegal elements good opportunities to run amok. As a result, various kinds of economic crimes have occurred, including foreign exchange speculation, resale of imported goods, and so forth.

Third, the reform has not been accompanied by the necessary follow-up and auxiliary work. A macrocontrol structure has not yet been completely set up and the management structure cannot yet meet the needs of external economic development.

Fourth, the construction work of spiritual civilization still has many weak links, and there are instances of certain cadres using their authority for private gain, engaging in improper practices, wantonly giving bonuses or making grants in kind, raising salaries and wages in a disorderly way, indulging in showing off and extravagance, giving parties, sending gifts, and so on.

Fifth, there is still a lack of talented personnel. The quality of the original cadres and staff members and workers still remains to be improved.

These are the problems met in the course of progress. Some belong to the development stage. Some are the results of insufficient experience and of errors in work, while some are simply unavoidable in the course of development. They all require our full attention, and we should adopt the necessary measures to solve them.

II. Role Played by the SEZ

"The whole country supports the special zone, and the special zone serves the whole country." Development of the special zone is inseparable from aid from the whole country, while the development of the special zone must be in the service of the whole country. Actual practice has shown that the special zone relies on the interior and, conversely, the interior uses the special zone as a "window." There are thus reciprocal benefits. Since its establishment, the Shenzhen SEZ has initially displayed the following functions:

1. Helping the promotion of opening the coastal areas to the outside.

As one of the "experimental stations" for our country's opening up to the outside world, the Shenzhen SEZ was established rather early, has been developed on a rather large scale, and, in actual practice, has initially gained certain experience. When inspecting the special zone in January 1984, Comrade Xiaoping pointed out: "Shenzhen's development and experiences have proven the correctness of our policy of summarizing the experiences of the special zones throughout the country, the central government resolved to further open to the outside 14 coastal cities and towns and Hainan Island. Following this, it decided to add the Zhu Jiang Delta, Chang Jiang Delta, and the Xiazhangchuan Delta in southern Fujian to the economically opening areas along the coast. This has brought about a situation of the initial opening up to the outside world of the coastline starting from Dalian in the north to Beihai in the south. Furthermore, by means of opening the special zone and the coastal cities to the outside, advanced technology, scientific management methods, and information can be introduced, thus helping in promoting the economic and technical development of the interior. In our opinion, this is a concrete realization of developing our country's strategic policy of flexibly "resting on the east and shifting to the west."

2. Initially playing the radiating roles of a "window" and of casting light on the "screens"

The SEZ has achieved fairly good results through jointly establishing enterprises with the interior, cooperating with them in production, conducting discussion meetings, technology exchange meetings, and training classes, staging fairs in the interior to market products of the special zone, and transferring to the interior the advanced technology and scientific management methods introduced from abroad and market information and news. For example, the Hualian Textile Co. Ltd. last year introduced to the interior textile enterprises the advanced Japanese equipment and technology known as "yarn end cutting," and thus raised their technological level, enabling them to develop new products to break into the Hong Kong market. This has helped to increase their foreign exchange earning capacity by 800 percent in comparison with their former products.

In addition, the SEZ has initially introduced products from the interior for deep processing to increase their export value and thus earn more foreign exchange. For example, the Hualian Textile Co. Ltd. and the machine-building industry have transplanted such well-known brand products as the cotton yarn of Changzhou, ramie and poplin cloth of Guangxi, knitted garments of Guangzhou, printed and dyed cloth of Shanghai, electrically welded bars of Sichuan, and electrical machines of Shanghai to Shenzhen, where advanced technological equipment was introduced and imported for their production.

This has greatly strengthened their competitive power in export trade.

3. Providing reform in the interior with certain models for copying

Since 1981, the SEZ has done much exploratory work in reform and has successively effected reforms in the planned management structure, capital construction management structure, circulation structure, currency structure, commodity prices structure, labor wages system, cadre and personnel system, and so on. Among them, certain procedures served as good references for the interior. We may cite examples, such as changing from investment to bank loans in building the special zone's basic facilities, changing to the tender system in capital construction projects, changing to the contract system in labor employment, using the methods of inviting applications, election, and stipulating a term of office in the appointment of cadres, adopting a liberalization policy in regard to the prices of meat, vegetables, grain, and edible oil, and, in the field of finance, collecting fees for the use of land.

4. Tempering and training up of a number of talented persons

About 30,000 cadres have been dispatched to units stationed in Shenzhen by the central government, the various provinces and municipalities, and various enterprise units in the interior operating jointly with Shenzhen enterprises. Of them, over 4,000 are technical cadres with the qualifications of engineers or above. In their external economic work, they have, on the one hand, rendered support to the SEZ and, on the other, added much to their talent. Upon their return to the interior, many of them have played an important role in their various occupations. The Kong Le Electronics Company, a jointly operated concern of the Harbin Wireless Equipment Plant, and the SEZ transferred the whole technological process to the Harbin plant as well as a portion of the technical personnel and production workers, and produced in the same year 10,000 sets of the "Double Kong Le" brand double-cassette recorders, reaping a profit of 800,000 yuan.

Entrusted by the State Council, the SEZ held two sessions of "discussion classes for cities open to the outside." It helped the Chinese Academy of Sciences, Ministry of Posts and Telecommunications, Ministry of Water Resources and Electric Power, Ministry of Petroleum Industry, Ministry of Foreign Economic Relations and Trade, National Tourism Administration, and other provinces and municipalities in organizing and holding in Shenzhen 146 sessions and 158 training classes on 19 different categories of topics, including importing and introducing from abroad, international finance, Hong Kong and Macao laws, foreign trade, and enterprise management. Over 6,000 students were enrolled in the classes. Good results were attained.

5. Positive influences on Hong Kong and Taiwan

Compatriots in Hong Kong, particularly those doubtful about Hong Kong's future, are all looking at Hong Kong's future, after the return of sovereignty to the PRC, from the angle of the development of the Shenzhen SEZ. They believe that with "Shenzhen allowing capitalist enterprises to exist, there should be no worry about Hong Kong." In a similar manner, compatriots in Taiwan are deeply concerned with Shenzhen. They believe that the success or failure of the building of the Shenzhen SEZ will generate effects in Taiwan. Through this Shenzhen "window," Taiwan compatriots are examining our party's and government's policy of opening to the outside world. After a visit to the special zone, a Taiwan newswoman said with feeling: "How good it would be if the mainland and Taiwan could be unified earlier!" She further believed that the existence and development of the Shenzhen SEZ would make her "confident of seeing the unification of the motherland."

When visiting Shenzhen, Governor Youde of Hong Kong also expressed the view that the Shenzhen SEZ is exceedingly important to China and to Hong Kong, that Hong Kong's prosperity plays a promotional role in the Shenzhen special zone's development, and that the Shenzhen special zone's development has an especially important significance for Hong Kong.

6. Attracting attention from the outside

From 1980 to this October, about 1,200 delegations, numbering some 8,000 people, or over 50 governments, brother parties, and specialists, scholars, and news reporters have visited the SEZ. Among them, 30 groups consisted of government leaders of the rank of vice premier, vice assembly head, and above. They have made extensive comments about Shenzhen. For example, Vice President Bush of the United States said: "Actual practice in the Shenzhen special zone has shown that it has developed greatly; it is estimated that it will attain even greater development in the future and will obtain even more American investment." Prime Minister Willoch of Norway described the "economic special zone as a catalyst which promotes China's economic development." The First Vice Chairman of the USSR Council of Ministers Arkhipov said to me: "After visiting Shenzhen, I have gained a thorough understanding that you have done well in establishing the special zone."

The SEZ has also attracted the attention and concern of certain brother parties. Thus, So Yun-sok, member of the Political Bureau of the North Korean Workers Party, summed up his impressions of Shenzhen in the following two phrases: "A bold idea and a creative policy." Markovic, president of the League of Communists of Yugoslavia said: "In creating the special economic zone and carrying out the policy of opening to the outside world, the Communist Party of China has made historical progress which has not only reflected your extensive studies on the economic side but also added new contents in your building of socialism." The Romanian ambassador to China, Miculescu, said: "This enterprise of opening to the outside not only has a special significance for the special zone but also has a far-reaching significance for the socialist states such as your esteemed country and Romania."

III. Can the SEZ Firmly Insist on the Socialist Direction?

Since the special zone must introduce foreign capital and make frequent contacts with capitalism, the decadent ideas and way of life of capitalism can infiltrate through various channels. Under such special and complex circumstances, is it possible to accomplish the feat of "introducing and also resisting" and to firmly insist on the socialist direction? Facts have affirmed a definite reply, and this is that the special zone can firmly insist on the socialist direction. Basically, the following points must be grasped:

First, firmly insisting on the four basic principles. What we are creating is a special economic zone, and not a special political zone. The SEZ, like the whole country, must, in just the same way, firmly insist on the four basic principles. The SEZ is an area under the leadership of the CPC, over which the People's Republic of China exercises full sovereignty. It observes China's laws and ordinances. The political power of the SEZ is in the hands of the Chinese people. Foreign merchants coming to the SEZ to invest, to establish factories, and to engage in other economic activities must abide by the laws of our country and can only earn legitimate profits from activities within the permitted scope. If foreign merchants in the SEZ violate our country's laws, they shall be duly investigated and punished.

Second, using the economy of the whole country as backing. In introducing foreign capital and developing Sino-foreign joint-investment enterprises and enterprises with exclusively foreign merchant investment, the SEZ is playing a component economic role supplementary to the socialist economy.

The SEZ takes the whole country's socialist economic foundation as backing and represents a special zone under the macrocontrol of the socialist economy. We make use of capitalist funds, advanced technology, and scientific management methods to develop socialist productive forces. In the course of development, although certain passive factors may appear, we can definitely halt and rectify them, ensuring that the special zone will develop along socialist guidelines.

Third, insisting on grasping with both hands. Simultaneous with carrying out the construction of materialist civilization, the SEZ bends its efforts toward doing a good job in building socialist spiritual civilization, employing various means to educate party members, cadres, and the masses in communist ideology and discipline. It also organizes everybody to study the basic principles of Marxism and the party Central Committee's guidelines and policies vis-a-vis the formation of special economic zones. For example, it invited Zhang Haidi and "model heroes reporting groups' from the Guangxi and Yunnan border frontlines to make reports in our city; and it also organized sessions to listen to recordings of Comrade Chu Zhou's speeches, guiding the masses of party members, cadres, and people of the SEZ to establish in their minds the ideology of serving the people with their whole hearts and souls. It has also grasped the building of educational and cultural facilities, since one-third of the city's financial expenditure is in this area, thus expanding the socialist ideological and cultural frontline.

At present, in the SEZ, the great majority of the party members, cadres, and masses have a positive attitude, being anxious to open up and progress, and two-thirds of the staff members are known to have been taking part in spare-time cultural and technological learning activities. In 1979, the structure of the youth league was somewhat paralyzed, while a percentage of the party's bottom-grade organs was scattered and disorganized. Following the establishment of the SEZ, the organizational structures of the party and of the league have been consolidated, improved, and developed. In only the first 9 months of this year, over 1,100 youths have joined the Communist Youth League and nearly 1,000 people have joined the CPC. In the SEZ, society is stable, public order is good, and the social atmosphere is also good. Recently, after carrying out an investigation in Shenzhen, comrades of a working unit of the Ministry of Public Security said: "In general, in the entire special zone, the social atmosphere and public order are good, better than our expectations."

Fourth, dealing firmly with serious economic crimes and other criminal activities. For a period of time, certain of Hong Kong's underworld elements infiltrated into Shenzhen, doing wicked things, engaging in drug trafficking and prostitution activities, and generally poisoning the social atmosphere. As soon as such activities appeared, we at once took steps to forcefully deal with them, determinedly stopping them and exterminating them at their very outset. In their contact with capitalism, by far the great majority of Shenzhen's party members and cadres have been able to pass severe tests. Naturally, it is true that a small minority lacked willpower and succumbed to temptation, forgetting their righteousness in the face of profits, taking part in smuggling and speculation, and becoming corrupt and receiving bribes. Once cases of this kind were discovered, we at once began investigating. In the past 5 years and more, we have dealt with over 170 party members and cadres, or roughly 0.2 percent of the total number of party members and cadres in Shenzhen. In addition, we made full use of the corrupt elements to teach by negative example, to teach the party members and cadres to draw lessons therefrom and to strengthen their immunity to these evil activities.

Fifth, strengthening construction of the party. We should install the party structure in the enterprises owned solely by foreign merchants or jointly financed by Sino-foreign (cooperative) units.

In the SEZ, the number of enterprises solely financed by foreign merchants and jointly financed Sino-foreign (cooperative) enterprise units has been steadily increasing. How to correctly handle the relations between the state and the foreign merchants and between the Chinese staff members, workers, and the foreign merchants is a new problem confronting party work in the special zone. We must emphasize that party members should, in an exemplary manner, abide by state laws and policies and the terms of the contracts and agreements signed by the parties and should, by means of their exemplary deeds, influence other personnel in the enterprises to do likewise.

Moreover, attention should be paid to the role of public organs in foreign-related enterprises, such as trade unions, the Communist Youth League, women's federations, and so forth, and use made of these organs in handling various kinds of contradictions which may arise. In the process of cooperation with foreign merchants, it is necessary to respect their normal operating activities but also to supervise their observance of our government's laws and ordinances, and also of the terms of the contracts; we should educate the workers to actively take part in production and to strive to fulfill the production tasks, but should also reflect the workers's reasonable demands and protect and maintain their legitimate interests. We should educate the people on our side in foreign advanced technology and scientific management methods, educate them to consciously resist the infiltration of corrupt capitalist ideas, and enable them to run the enterprises well.

Through actual practice in opening up to the outside world and reform, we have come to understand deeply the following: Opening up to the outside world and being corrupted by capitalist ideology are not the same. Naturally, opening a window, as well as letting in fresh air, may allow some flies and mosquitoes to come in. But this is, after all, not so terrible. If only we can do our work well and strengthen the party's leadership and the building of socialist spiritual civilization, the disadvantageous factors may be converted into advantageous ones. In our opinion, opening up to the outside world can not only introduce capitalist funds and technology in the service of socialist construction but can also help to temper our cadres, enabling them to widen their vision, increase their knowledge, and invigorate their thinking, and can enable them to understand better through comparing the two social systems, the decadent character of the capitalist system, and strengthen their faith in communism. We believe that the special zone's broad masses of party members, cadres, and people all have socialist consciousness, are able to discriminate, and certainly will not change the socialist direction of the SEZ. Of course, if we lose our vigilance and abandon the above-mentioned work, a terrible situation of decaying social atmosphere and corrupt cadres might arise. However, we must repeat that if the Communist Party's leadership is in firm command, such a situation could never occur.

IV. What are the SEZ's Future Prospects?

The future prospects of the Shenzhen special zone's development are extensive and wide. In Shenzhen at present, a fairly good foundation has been laid on all sides. Its attraction for the outside has been laid on all sides. Its attraction for the outside has been increasingly augmented. The continuous deepening of the reform of the economic structure throughout the whole country and the further development of the policy of opening to the outside world have played an extremely large promotional role in the construction of the Shenzhen SEZ. Development of the commodity economy of the Zhu Jiang Delta, exploration and development of the Nanhai oil field, the beginning of construction work on the Daya Bay nuclear power station, and development of the superior resources of Dapeng Bay have all enabled the special zone's economy to demonstrate its enormous potential power.

The signing of the Sino-British joint declaration on the future of Hong Kong has satisfactorily solved the Hong Kong problem and is beneficial in strengthening economic cooperation between the SEZ and Hong Kong and in promoting the economic prosperity of both areas. Development of the Shenzhen SEZ has entered a new stage.

Based on the spirit of the central government's proposal on the Seventh 5-Year Plan on Shenzhen special zone's conditions, the Shenzhen CPC Committee has intially determined the following guidelines for the special zone's development from now on: relying on the interior, serving the four modernizations, being oriented toward Hong Kong and Macao, and establishing worldwide connections. Initially, it has formulated its Seventh 5-Year Plan. The various major targets for 1990 are as follows:

An annual growth rate of 22 percent in the gross industrial and agricultural output value, of which the industrial gross output value will attain an annual growth rate of 22 percent;

An annual growth rate of 18 percent in the gross value of national income and an annual growth rate of 11 percent in the gross value of the per capital national income.

In addition, we have compiled an "Outline for Construction of Socialist Spiritual Civilization in the Shenzhen Special Zone." The outline contains different demands according to different levels and grades and different objects. For example, vis-a-vis the party's leadership cadres, it advocates strengthening the learning and study of the basic theories of Marxism-Leninism-Mao Zedong Thought and firmly establishing communist ideals.

As for the rank-and-file party members, cadres, and people, the outline demands a firm insistence on communist beliefs and virtues, and lists 10 concrete demands as the norms and requirements for the virtue and conduct of SEZ citizens. Concrete demands are also made in regard to the construction and management of enterprises, such as those on education, public health, science and technology, sports, news, culture, and art, as well as social and cultural facilities and tourism areas. We have also decided to use legislation to protect the smooth progress of the construction of the special zone's spiritual civilization.

In short, during the Seventh 5-Year Plan period, efforts will be made to make Shenzhen gradually become the "four windows," attaining the status of a comprehensive special economic zone which takes industry as the major factor, is oriented toward the outside, has multiple functions, possesses a rational industrial structure, is advanced in science and technology, and boasts a high degree of civilization.

The general plan for next year's work is as follows: intensifying the work in reform, grasping consolidation work, strengthening management, taking firm steps centering on improvement of results, striving for further improvement and development on the basis of consolidating the gains made, firmly insisting on industry as the major factor, actively introducing technology-intensive and know-how-intensive projects, developing an externally oriented economy, and opening up a road for the special zone's further development.

First, industry will be taken as the leading factor and steps will be quickened in developing an externally oriented economy. The economic structure will be readjusted and there will be study and production of new products, opening up of new markets, expansion of exports to earn foreign exchange, a solution of industry's internal problem of balancing foreign exchange, speeding up of the building of bases for fresh and live commodities, and the vigorous development of tertiary industry with the emphasis of services and tourism. In addition, preparations will be made to establish the special zone's trade organs in foreign countries, to acquire news and information, and to open up sales channels.

Second, we shall continue to improve and perfect the investment environment, and do a good job in importing and introduction work. In the energy, communications, and telecommunications sectors, construction will be strengthened. The auxiliary and supplementary engineering work on the three industrial areas of Bagualing and so on will be completed and perfected; legislation and judicial work will be strengthened, so as to attract more foreign capital.

Third, the steps in all-round reform will be quickened. A market system embracing funds, technology, news and information, and talented personnel will be installed, regulation by market mechanism will be put to full use, and microeconomy will be invigorated under macrocontrol.

Fourth, overall management will be strengthened. Speed and results will be unified. Under the precondition of improving economic results, a definite growth rate will nevertheless be maintained and first of all it will be necessary to restrict next year's scale of capital construction to this year's level. For this purpose, we shall continue to put in order and consolidate the tasks of eight aspects of work, including those related to enterprises, capital construction projects, collection of taxes, borrowing and transferring of cadres, the temporary residential population, and so forth. At the same time, we shall strengthen the work of the supervisory organs, such as the auditing, statistical and accounting units, and establish and perfect the various kinds of regulations and systems and close loopholes, so as to ensure the healthy development of the special zone's economy.

Fifth, building of socialist spiritual civilization will be augmented. Party reform will continue to be grasped well and ideological and political work which has ideological education and disciplinary education as the main contents will be strengthened. Building of cultural, recreational, and educational facilities will be speeded up, and cultural life will be enriched. Social order will be consolidated and various kinds of crimes and serious economic criminal activities will be dealt with firmly.

Shenzhen special zone is a special zone of the whole people. Comrade Xiaoping has said well: "To make it a success is our common wish." Over the past 5 years and more, we have always devoted our efforts to realizing the wishes of the central government and the hopes of the people of the whole country. However, the SEZ is, after all, something new. Due to the lack of experience, our work cannot avoid encountering different kinds of problems. Its future development may possibly meet with certain unexpected conditions, and errors might be committed. We shall definitely follow the policies of the central government and effect the building of the special zone even faster and better.

WEN WEI PO: SINO-SOVIET BORDER TALKS ANECDOTES

Part 1

HK210357 Hong Kong WEN WEI PO in Chinese 18 Jan 86 p 7

[Feature: "Notes Written from Memory on War of Words Between Chinese and Soviet Representatives -- Part 1]

[Text] This reporter had an interview with Tang Honggang, the Chinese representative to the Sino-Soviet frontier talks, in a new city on the banks of the Heilong Jiang.

Tang Honggang, a tall, thin man wearing black framed glasses, was a little more than 40. He looked like a true scholar. But when the conversation began, this reporter found that he was soldier with military credentials. Sheleweistov, a 48-year-old Soviet colonel and a quick thinking man, incisive in conversation, was for years Tang's counterpart. During their talks over the years, there were many humorous stories.

The First Story -- Flashlight and Intercontinental Missile

After talks on the Soviet side on one occasion, the Chinese and Soviet personnel were watching television in the lounge. The dazzling white spots in the screen were accompanied with humming noises. Colonel Sheleweistov explained to Tang Honggang with regret: "Our electronic products are not as good as Japan's."

Tang said jokingly: "I suppose you are good in one field -- intercontinental missiles."

Once during winter, when had night already fallen on the banks of the Heilong Jiang, a group of men were leaving the meeting room. They had to use flashlights on their way back. With a flashlight in his hand, the Soviet colonel sighed: "Our flashlights are so crude and awkward compared with those made in China."

Tang Honggang continued: "You are really a materialist. But there is one thing I don't understand. Since you can make A-bombs, why can't you produce good quality flashlights?"

The Second Story -- If Bombs Are Planted at the Front Gate of Your House

The Soviet colonel said: "As the Chinese saying goes: 'Since ancient times, those who have military knowledge are not necessarily militant.'"

Tang made some additional remarks: "This was one of the two lines of verse written by Zhao Fan for Zhu Geliang during the Three Kingdoms. As far as I can remember, there is also a Western saying: 'Rome was not built in a day.' We must cultivate our friendship over a long period."

The Soviet colonel repeatedly declared: "The Soviet Union is not a military threat to China."

Tang said: "Only when we are loyal to the facts can we be loyal to truth. This is one of our beloved Premier Zhou's mottos."

Tang then drew an analogy: "Mr Colonel, if there are bombs planted around your house, can you sleep safe and sound because they have not dropped inside?"

The Soviet colonel smiled and shook his head. He had nothing to say for himself.

(To be continued)

Part 2

HK210359 Hong Kong WEN WEI PO in Chinese 19 Jan 86 p 7

[Feature: "Notes Written From Monory on War of Words Between Chinese and Soviet Representatives -- Part 2 and Last"]

[Text] The Third Story -- Only Spring Breezes Blow From China

In May, a strong breeze from the south blew on both banks of the Heilong Jiang for several days. One day the Soviet colonel greeted Tang on the other side of the river. Looking at the distant clouds, he said: "Mr Tang, over the past few days, we have been hit by the strong wind blowing from China!"

Tang replied with a smile: "Mr Colonel, the wind blowing from China is a south wind, which brings us spring followed by summer. The Chinese people are most afraid of the wind which blows from the north. It is the cold current from Siberia."

The Fourth Story -- He Only Loves the Girl From the East

When both the Chinese and Soviet representatives were seated in the conference room on the Soviet side on one occasion, Tang said: "I would like to introduce our new interpreter to the Soviet side. His name is Zhao Tianhe. Do you have any questions?"

The Soviet colonel asked: How old is he?"

Tang replied: "He is 21 years old."

The Soviet colonel asked: "From where did he graduate?"

Tang replied: "He graduated from the Changchun Northeast Teachers' University."

Looking at the young and handsome interpreter, the Soviet colonel asked: "Is he married?"

Tang replied: "Not yet."

The Soviet colonel said in earnest: "How about finding a girlfriend in Blagoveshchensk (a Soviet region on the Soviet bank of the Heilong Jiang)?"

Tang replied in a relaxed manner: "Thanks very much for your kind concern. I know very well what kind of a girlfriend he is looking for."

The Soviet colonel said with great interest: "Tell us more about that. I will try my best to help him."

Tang said seriously: "He is in love with a girl with black hair, black eyes, and yellow skin."

The Fifth Story -- I Am Directly Under the Ministry of National Defense

During an informal conversation after the talks, tht Soviet colonel asked: "Mr Tang, I really don't understand the relations between your frontier guards and frontier armed police. To whom are you responsible?"

Tang replied politely: "To be frank, I am directly under the Ministry of National Defense and my boss is Zhang Aiping."

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PRC REPRESENTED AT 'GET TOGETHER FOR PEACE'

OW250858 Beijing XINHUA in English 0751 GMT 25 Jan 86

[Text] Geneva, January 24 (XINHUA) -- The "get together for peace" conference, attended by 110 non-governmental organizations, ended here today with a call to the international community for joint efforts to maintain world peace. A written appeal adopted by the five-day conference said the nuclear arms race poses the gravest threat to world peace, and called on all peoples to join campaigns to put an immediate end to all nuclear tests, prevent an arms race in outer space and eliminate chemical weapons and other arms of mass destruction.

Peace is essential for satisfying the needs of mankind for food, health, education, work and enviromental protection, the document said. It also urged governments to reduce substantially military spending and reverse the imbalanced use of natural resources. A delegation of the Chinese People's Association for Friendship with Foreign Countries attended the conference.

FOREIGN MINISTRY DENIES RUMORS OF DENG'S HEALTH

HK221100 Hong Kong AFP in English 1056 GMT 22 Jan 86

[Text] Beijing, Jan 22 (AFP) -- The Chinese Foreign Ministry today issued a further denial of rumours from Hong Kong that top leader Deng Xiaoping's health was failing. Mr Deng, 81, is "in very good health," said Ministry spokesman Li Zhaoxing, in Beijing's second such denial in 24 hours. "These rumours are pure invention," he added.

The Foreign Ministry issued a similar denial yesterday. Share prices in Hong Kong plunged 30 points Monday on rumours that Mr Deng's health had recently deteriorated.

DEFECTION TO U.S. OF KGB OFFICER DISCLOSED

OW261929 Beijing XINHUA in English 1858 GMT 26 Jan 86

[Text] Washington, January 26 (XINHUA) -- A high-ranking Soviet K.G.B. officer who defected to the United States last year may be the most valuable defector from the Soviet Union to the U.S., it was disclosed here today. Congressional sources said the defector was a Soviet officer of the K.G.B. who escaped by helicopter last spring from the Democratic Republic of Germany and was questioned at an American military base in Federal Germany before traveling to the U.S. Press reports said the defector is providing information that "is much more important" than that provided by Vitaly S. Yurchenko, a Soviet defector who later returned to Moscow last year.

The U.S. Central Intelligence Agency refused to confirm the reported defection and went to great lengths to keep it as a top secret for fear that disclosure of the case might have upset the summit meeting in November between U.S. President Ronald Reagan and Soviet Leader Mikhail S. Gorbachev. Reports said the United States might now learn valuable information about the K.G.B.'s organization and management from this defector. U.S. NEWS AND WORLD REPORT magazine reported in detail the defection in its February 3 edition.

AMBASSADOR HAN XU INTERVIEWED ON RELATIONS

OW241141 Beijing Domestic Service in Mandarin 1150 GMT 18 Jan 86

[Text] Listeners: On New Year's Eve, we received a letter from Chang Jiangyang, a listener of Hubei's Honghu, and another letter from Zhong Xiaolin, a listener in Beijing, asking us to discuss current Sino-U.S. relations. It so happened that our Washington correspondents (Fan Xinlong) and (Zhang Guohua) had interviewed Han Xu, ambassador to the United States, before the end of 1985. Ambassador Han talked about the various aspects of Sino-U.S. relations. We would like to use Ambassador Han's talk to answer our listeners' questions. Later, the editors and announcers of the "International Issues Letterbox" program will have a discussion. Now, let me read the transcribed text of his talk.

Ambassador Han said: As is known to all, China is the largest developing country in the world, and the United States is the most developed. China is rich in resources and manpower, and has great market potentials, whereas the United States is strong in technology and investment funds. In developing their economies and technology, the two countries can, by cooperation, make up each other's deficiencies. Developing their relations in all areas is not only in the interest of both the Chinese and American people, but conducive to world peace and stability as well.

We were very glad to see the exchange of visits between Premier Zhao Ziyang and President Reagan in 1984 and President Li Xiannian's visit to the United States last July. The two sides signed an agreement on the peaceful use of nuclear energy, a 2-year program for the implementation of the Sino-U.S. cultural agreement, a protocol for educational exchanges between China and the United States and a fishery agreement. In October, Vice President Bush visited China.

As a result of the exchange of visits by their leaders and the efforts on both sides, the two countries now enjoy a fairly stable relationship. Cooperation and exchanges in the economic field and trade are more extensive and profound. The trade volume in the first half of 1985 reached $3.9 billion, and the figure for the whole year may top the record $6.1 billion set in 1984. Economic cooperation between the two countries continues to grow. U.S. investment in China has topped $1 billion and the number of agreements for Sino-U.S. cooperation in the scientific-technological field has reached 24.

Currently, the two countries are cooperating on more than 400 scientific-technological projects. Friendly ties between the Chinese and American peoples are also expanding. The two countries have established 17 sister-province or sister-state relationships and 19 sister-city relationships. Some 15,000 Chinese students and scholars are currently studying in the United States, and 1,800 American students are now pursuing their academic goals in China in the 1984-85 academic year.

To be sure, the development of Sino-U.S. relations has never been smooth sailing from the very beginning. The biggest obstacle remains the Taiwan issue. This problem could always cause serious trouble in Sino-U.S. relations if it is not solved. The key to resolving the problem is the U.S. strict adherence to the principles laid down in the three joint communiques in Sino-U.S. relations.

In economic and technological cooperation and trade, some problems remain to be resolved. The United States has relaxed certain restrictions on technology transfer to China. We hope that the measures are translated into concrete action. The rising protectionist trend is hampering the development of bilateral trade. The trade deficit China has sustained in its trade with the United States has totaled $15 billion since 1972. The United States should adopt a fair and reasonable policy toward China that will benefit the people of both countries.

In short, the mutual beneficial cooperative relations between the two countries have developed rapidly, but the potentials have not been fully tapped. Vigorous efforts are needed to remove certain obstacles. I believe that Sino-U.S. relations can develop more rapidly on a strong and reliable foundation, provided the two sides seriously observe and implement the principles laid down in the three joint communiqes, take steps to enhance understanding, treat each other on the basis of equality, and correctly deal with differences in accordance with the Five Principles of Peaceful Coexistence.

I am optimistic about Sino-U.S. relations. On the eve of 1986, I wish further and more satisfactory development of Sino-U.S. relations and the further strengthening of friendship between the Chinese and American people.

JINGJI CANKAO ON U.S. FOREIGN TRADE LEGISLATION

HK230703 Beijing JINGJI CANKAO in Chinese 9 Jan 86 p 6

[Article by Tong Fuquan of the World Economics and Political Research Institute under the Chinese Academy of Social Sciences: "The United States Strengthens Its Foreign Trade Management With Economic Legislation" -- capitalized passages published in boldface]

[Text] In the United States, foreign trade is mainly conducted by private enterprises. In order to strengthen foreign trade management, in addition to the adoption of economic methods and necessary administrative means, the U.S. Government also uses economic legislation to set various standards for foreign trade, guiding private enterprises to develop in the direction anticipated by the government.

Since before World War II, the United States has enacted over 1,000 foreign trade laws of various kinds. Most of them are economic regulations concerning foreign trade, including the "Reciprocal Trade Law of 1934," the "Export Control Law of 1949," the "Trade Law of 1974," the "Export Adjustment Law of 1979," and the "Textile and Apparel Trade Enforcement Act of 1985" recently passed by the U.S. Congress (also called "the Jenkins Bill," which was vetoed by President Reagan), and more. As the government's effective legal means to readjust foreign trade, the above legislation has played a great propulsive role in the rapid development of U.S. import and export trade since the war. According to the U.S. Constitution, the right to enact economic legislation concerning foreign trade belongs to the U.S. Congress, while the federal government formulates and carries out foreign trade policies in light of the legislation passed by Congress. However, the right to implement foreign trade policies is, to a great extent, scattered among various government departments, and a central organization for exercising unified leadership is needed. Generally speaking, the method of enacting U.S. foreign trade legislation is as follows: First, every functional organization (like the U.S. Commerce Department, the U.S. International Trade Commission, and so on) presents its trade policy plans or revised policy reports to the President for approval. Then these plans are debated in Congress before becoming laws. Finally, after being signed by the President, they are handed down to departments concerned for implementation.

Since the war, the main practices of the U.S. Government in using economic legislation to control foreign trade are:

FIRST, ENACTING RELEVANT LAWS AND POLICIES IN LIGHT OF THE FOREIGN TRADE SITUATIONS IN DIFFERENT PERIODS.

In order to protect its domestic markets and expand the markets for U.S. products in foreign countries, the United States has enacted many economic laws on foreign trade in different periods. For example, in the early 1960's, in connection with the export of U.S. agricultural products to the European Economic Community countries, Congress approved "The Trade Expansion Act of 1962," authorizing President Kennedy to reduce the tariff on imported agricultural products by 50 to 100 percent in an attempt to seek a similar tariff reduction by West European countries and allow U.S. agricultural products to enter the European Economic Community market. As the U.S. tariff rate was higher than West European rates at that time, the reciprocal tariff reduction was advantageous to the export of U.S. agricultural products. Another example is that, in order to halt the mass exportation of textiles manufactured by countries in the Asian-Pacific region to the United States, Congress approved on 13 November 1985 the "Textile and Apparel Trade Enforcement Act of 1985," which was subsequently vetoed. The act stipulated that a country and region whose textile exports to the United States exceed the total U.S. textile import quota from that country by 1.25 percent or above are regarded as main suppliers. Their textile export quotas to the United States should be based on the figures of 1980. Until the end of 1984, their annual growth rate should not exceed 6 percent. Beginning in 1985, their annual growth rates will be confined to 1 percent. Canada and the European Economic Community countries are not subject to this act.

SECOND, MAINTAINING THE CONTINUITY AND RELATIVE STABILITY OF FOREIGN TRADE LAWS AND REGULATIONS.

The foreign trade laws enacted by the United States are not unalterable. They change along with the development of foreign trade and can be revised and supplemented at any time to improve and organize them. In order to promote the development of foreign trade, as early as in 1934, the U.S. Government enacted "The Reciprocal Trade Law." By 1962, this law had already been revised on 11 occasions, with new clauses constantly added to it during the revisions, including "extraordinary clauses," "trouble spot clauses," "national security clauses," and so on. Because the United States can constantly revise its economic laws on foreign trade in light of changes in conditions, it has avoided much confusion caused by invalid clauses.

THIRD, INTEGRATING ECONOMIC MEASURES WITH LEGAL MEANS TO ENSURE THE IMPLEMENTATION AND ENFORCEMENT OF FOREIGN TRADE LEGISLATIONS.

U.S. foreign trade legislation is not a series of propagandistic or policy-like documents. It is legally binding and applicable to the people of the whole country. Every foreign trade decree is very detailed, containing not only the content and methods of implementation of the decree, but also the additional "particulars" about using economic means to punish violators. Minor offenders will be fined, while major offenders will be imprisoned. As the law can really be strictly enforced and violations of the law must be investigated and dealt with, the powerful strength of economic legislation can be brought into play.

FOURTH, DEVISING A WHOLE SET OF STRINGENT MANAGEMENT METHODS.

There is a stringent system for the enactment of U.S. economic laws on foreign trade. Every law must be debated in Congress and approved and signed by the President before implementation. Every relevant organization also works out corresponding "implementation regulations." Meanwhile, the contents of every law -- from a state's foreign trade principles, policies, guidelines, and systems to the implementation methods, procedures, and various report formats and tables -- all have a set of stringent management methods. Thus, the implementation and enforcement of each law can be ensured, fully displaying its role in promoting foreign trade.

CPC OFFICIAL RESTATES LACK OF RELATIONS WITH CPSU

HK250312 Beijing CHINA DAILY in English 25 Jan 86 p 1

[Text] "The Communist Party of China (CPC) does not have any relationship with the Soviet Communist Party," spokesman of the International Liaison Department of the CPC Central Committee told CHINA DAILY yesterday. The official made this remark when asked to comment on a recent report by a foreign news agency, which said the CPC would not send a delegation to the 27th National Congress of the Soviet Communist Party scheduled next month.

1986 SINO-SOVIET TRADE PROTOCOL SIGNED

OW231534 Beijing XINHUA in English 1527 GMT 23 Jan 86

[Text] Beijing, January 23 (XINHUA) -- A goods exchange and payments protocol for the year 1986 was signed here today by representatives of China and the Soviet Union. The two sides also exchanged letters concerning border trade between China's Xinjiang Uyger Autonomous Region and five neighboring Soviet republics and other regions.

The document was signed by Wang Pinqing, Chinese vice-minister of foreign economic relations and trade and G.K. Zhuravlev, Soviet first vice-minister of foreign trade. Under the protocol, China will sell the Soviet Union items such as nonferrous metals, soybeans, maize, peanuts, frozen meat, fruit, textiles and light industrial products. The Soviet Union will provide China with nonferrous metals, steel, pig iron, urea, automobiles, lumber and aeroplanes.

Minister of foreign economic relations and trade Zheng Tuobin, and Soviet Ambassador to China I.S. Shcherbakov attended the signing ceremony. The Soviet delegation is scheduled to leave for home tomorrow.

SOVIET ATTITUDE ON CAMBODIAN ISSUES UNCHANGED

OW251708 Beijing XINHUA in English 1647 GMT 25 Jan 86

["Commentary: Soviet Attitude to Kampuchean Problem Remains Unchanged (by Tang Tianri)" -- XINHUA headline]

[Text] Beijing, January 25 (XINHUA) -- Since the beginning of this year, the official Soviet press and propaganda machines have been trumpeting new slogans about the Kampuchean problem and other regional issues. PRAVDA, the official party newspaper, said in a recent article that the political solution of regional problems requires a new approach, and that the Soviet Union is willing to coordinate its actions with other countries in this matter. Soon afterwards Soviet Vice Foreign Minister Mikhail S. Kapitsa told a press conference in Moscow that if a political solution is found to the Kampuchean problem the Vietnamese troops would possibly withdraw from Kampuchea in 1987. But does this rhetoric really represent a new Soviet policy on the Kampuchean problem?

In his statement, Kapitsa asked Democratic Kampuchean President Samdech Norodom Sihanouk and Democratic Kampuchean Coalition Prime Minister Son Sann to negotiate with the bogus Kampuchean regime with Vietnamese troops still in Kampuchea on condition that they must first cut all ties with the Democratic Kampuchean National Army. This is clearly a ploy to disrupt the unity of the three resistance forces of Democratic Kampuchea and dissolve the country's coalition government.

Kapitsa's remarks to the democratic Kampuchean National Army were quite hostile. He described them as "bandits," and did not recognize the National Army as a political force. He said that if the Kampuchean National Army was willing to "take the road of a political settlement," some of its leaders could contact Phnom Penh authorities.

But he maintained that those leaders "could not be regarded as representatives of a political force." What Kapitsa proposed, in face, is a political conspiracy that attempts to weaken, break up and then wipe out the most powerful one in the three Kampuchean patriotic resistance forces.

Kapitsa took it for granted that the elimination of the three anti-Vietnamese factions in Kampuchea would lead to an agreement ending the undeclared war in Kampuchea, and to a "national election with international supervision." However, the so-called "election" would not be a real one, which the Kampuchean people deserve and would not be without foreign interference. The "election," if it happens, undoubtedly will be under Soviet control and serve only to legitimize the Heng Samrin puppet regime. In the Kremlin's view, the realization of these plans will allow the establishment of a "peace zone" in the form of an "Indochinese federation," which is backed by the Kremlin and controlled by Hanoi.

Kapitsa called for an "international conference" and assurances for a peace zone. This means the Soviet Union wants the international community to recognize Vietnam's occupation of Kampuchea and hegemony in Indochina.

The Soviet Union had hoped that by supporting Vietnam it could solve the Kampuchean problem through military means while advocating its so-called "political settlement blueprint." Kapitsa said if there is no way to reach a political settlement, "the de facto undeclared war would be continued." He imagined that with the Soviet Union's support, the Vietnamese and Heng Samrin puppet troops could become more militant and stronger within a few years' time, and the Kampuchean resistance forces would be wiped out. Then, the Kampuchean problem "would be eliminated automatically." To help realize this, the Soviet Union has doubled last year its annual economic and military aid to Vietnam from 2 billion U.S. dollars to 4 billion U.S. dollars. A large number of Soviet-made tanks, artillery pieces, mines, rockets and airplanes keep arriving in Kampuchea to help Vietnam with its offensive drive, which is aimed at eliminating the Kampuchean resistance forces in two or three years. Still there has been no basic change in Soviet attitudes toward the Kampuchean problem.

Peace and development are the trends of the 1980s, and the world desires to solve international disputes through the Five Principles of Peaceful Coexistence. Moscow's hope to rely on its economic and military superiority and use its power politics to conquer a weak country directly or indirectly cannot be realized. By so doing, the Soviets have not only met with strong resistance by the weak nation but also come under severe condemnation and opposition from world community, which leaves the Soviets in a more isolated position. The Soviet Union in its six-year intervention of Afghanistan and seven-year support for Vietnam's aggression in Kampuchea, has tasted the same bitter fruit. Events will prove that the scheme, "wipe out the Democratic Kampuchean resistance forces and settle the Kampuchean problem in two or three years," merely represents a daydream.

EXPERTS PESSIMISTIC ON RELATIONS WITH U.S.

OW261146 Beijing XINHUA in English 1132 GMT 26 Jan 86

[Text] Moscow, January 25 (XINHUA) -- Some top Soviet international affairs experts today painted a gloomy picture of the possible outcome of the new Soviet disarmament proposal, saying they had never expected the plan would bring about a prompt change in the current state of world affairs. On an international affairs forum on Soviet television this evening, they also doubted the possibility of reaching an agreement on major issues with the Reagan administration.

Soviet leader Mikhail Gorbachev announced ten days ago a three-stage proposal for ridding the world of all nuclear weapons by the year 2000. At the forum, Yevgeniy Primakov, an academician in international affairs, claimed it was expected from the very beginning that there would be a rather negative response from the U.S. Government to the Gorbachev statement. The Soviet leadership "have never counted on the statement as a magic wand to bring about a dramatic change in the situation," nor did they believe it would make the United States adopt a different policy in international politics, Primakov said. He added that there is still a long way to go to attain a normalization of international relations.

Aleksandr Bovin, political commentator for the government newspaper IZVESTIYA, pointed out bluntly that it is possible that Moscow will not be able to reach an agreement on major issues with the Americans "so long as the present administration remains at the White House." Bovin also said he doesn't believe that those Americans in power would agree to a halt to the arms race. Bovin's remarks, however, were described by Primakov as "pessimistic assessments" with which he could not fully agree. The Soviet Union still hopes to attain a certain breakthrough, Primakov argued, though it was very difficult to arrive at an agreement with the present U.S. Administration.

Another commentator, Zorin, observed that Moscow cannot wait because nobody can say for certain that the new American Government after the 1988 U.S. elections would be easier to deal with than the Reagan administration. These comments show that Moscow does not pin much hope on any satisfactory U.S. response to the Soviet disarmament proposal.

SHEVARDNADZE DISCUSSES SOVIET-U.S. RELATIONS

OW270239 Beijing XINHUA in English 0221 GMT 27 Jan 86

[Text] Moscow, January 26 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze said that the United States' failure to join Moscow's nuclear test ban will affect superpower relations and this year's planned summit.

In an interview published Sunday by the Mongolian news agency MONTSAME and reported by the Soviet news agency TASS, Shevardnadze said the 90-day-extension of a Soviet moratorium made by Soviet leader Mikhail Gorbachev January 15 offers a solid basis for ending the nuclear impasse. "If the U.S. Administration takes this new opportunity offered to it and stops nuclear weapons tests, this will naturally create a more favorable background for a meeting of the top leaders of the two countries," Shevardnadze said at the end of his visit to Mongolia. "It it does not do so, the atmosphere in our relations will look different, specifically in the aspect of the summit dialogue."

U.S. President Ronald Reagan and Gorbachev are scheduled to meet in a second summit in Washington, either in July or September. Shevardnadze said Moscow expects a "constructive and businesslike stand" on the Gorbachev proposals at the Geneva talks to limit nuclear and space weapons. He stressed the Soviets would like these talks to link nuclear and space weapons and noted that progress can't be made in one field without agreements in the other. Shevardnadze said that so far, "only words and nothing else are heard from the U.S. side. The ball is now in the U.S. court." The Soviet foreign minister left Mongolia January 25 for home.

BEIJING COMMENTARY ON 'TEAM SPIRIT' EXERCISE

SK241106 Beijing International Service in Korean 1100 GMT 22 Jan 86

[Unattributed commentary: "The United States and the South Korean Authorities Lack Sincerity in Alleviating Tension on the Korean Peninsula"]

[Text] The United States and the South Korean authorities announced on 18 January that they will begin the "Team Spirit-86" military exercise on 10 February. It has been learned that this military exercise, in which forces 200,000 strong will be mobilized, will last for 2 months.

The North side of Korea recognized that the United States and the South Korean authorities have aggravated the tense situation on the Korean peninsula by announcing the plan to conduct the large-scale military exercise. Therefore, the North side of Korea could not but announce on 20 January that it would discontinue [chungdan] the North-South economic talks, which were scheduled to be held recently, the preliminary meeting for parliamentary talks, and the Red Cross talks.

In order to alleviate tension on the Korean peninsula and promote an atmosphere favorable to the North-South dialogue, the North side of Korea announced on 11 January this year that, starting from 1 February, it will not conduct large-scale military exercises and will stop all military exercises during the North-South talks. It also proposed that the U.S. Government and the South Korean authorities, responding to this, not conduct military exercises starting from the same day. World public opinion welcomed this just proposal. However, the U.S. Government and the South Korean authorities did not respond.

Because of last year's efforts by the North side of Korea, the situation on the Korean peninsula and North-South relations have improved. Progress was made in various talks between the two sides, and the mutual visit of the art troupes and home-visiting groups of the North and South Red Cross Societies was realized for the first time. On the basis of this, the North side of Korea took a vigorous step forward for alleviating tension and accelerating the dialogue by deciding at the beginning of the new year that, starting from 1 February, it will not conduct large-scale military exercises and will stop all military exercises while the dialogue is being held. This vividly shows that the DPRK Government is making efforts to improve relations between Korea and the United States and relations between the North and South of Korea through dialogue and negotiations. Therefore, the DPRK has reason to demand that the United States and the South Korean authorities positively respond to this. However, the United States and the South Korean authorities, refusing the just proposal of the North side of Korea, decided to conduct a large-scale military exercise. World public opinion cannot but be disappointed over such an act by the United States and the South Korean authorities.

The North and South of Korea, at the beginning of last year, decided to hold the second round of economic talks and the eighth round of Red Cross talks. In the meantime, when the world expected that these talks would bring successes, the United States and the South Korean authorities conducted the "Team Spirit-85" military exercise. Because of this, the talks were inevitably discontinued. People still remember this.

In the meantime, again this year, the United States and the South Korean authorities are making it impossible to hold the three talks as scheduled, as they did last year. While noting that conducting military exercises while holding a dialogue at the same time is incompatible [oullijiannun] and that even if talks were held, no good results would occur, the North side of Korea, which highly values dialogue, said that the United States and the South Korean authorities must take full responsibility for this.

RENMIN RIBAO ON DPRK CRITICISM OF S. KOREA

HK241106 Beijing RENMIN RIBAO in Chinese 23 Jan 86 p 6

["Special Dispatch" by reporters Liu Zhengxue and Feng Zhiyuan: "North Korea Exhorts South Korea Not To Speak in Defense of the Military Exercises"]

[Text] Pyongyang, 22 Jan -- On 21 and 22 January, the heads of the three delegations from the North attending the economic talks, the Red Cross talks, and the preparatory meeting for the parliamentary talks between the North and the South of Korea separately telephoned the chief representatives of the three delegations from the South, pointing out that they should not have spoken in defense of the large-scale military exercises to be held by the United States and the South Korean authorities.

In a joint statement issued on 20 January, the heads of the three North Korean delegations pointed out that, because the planned large-scale military exercises by the United States and South Korea have aggravated tensions on the Korean peninsula, the 6th economic talks, the preparatory meeting for the 3d parliamentary talks, and the 11th formal Red Cross talks between the North and the South scheduled for late January and for February will have to be suspended. After the joint statement was made public, the South Korean chief representatives attending the three talks issued a joint statement on the same day defending the large-scale military exercises between the United States and the South Korean authorities. They stated that "Team Spirit," to be conducted by the United States and South Korea is "training with the objective of defense and a routine annual exercise" and called for the holding of the three talks as scheduled.

The heads of the three North Korean delegations immediately telephoned their southern counterparts, saying that the South Korean authorities are ignoring the North's peace proposals and the aspirations of the people at home and abroad by announcing, shortly before the talks between the North and the South are to be held, that they will conduct large-scale military exercises with the United States, thus "creating serious difficulties" for North-South dialogue. The heads of the three North Korean delegations pointed out that the other party should not have spoken in defense of this serious situation but should "apologize" to all fellow countrymen who look forward to the early holding of the talks. They also reaffirmed the stand of the North: The resumption of the three talks will be decided according to the situation after the U.S.-South Korean joint military exercises.

DPRK DENOUNCES U.S.-S. KOREA MILITARY EXERCISES

OW241312 Beijing XINHUA in English 1254 GMT 24 Jan 86

[Text] Pyongyang, January 24 (XINHUA) -- The Democratic People's Republic of Korea mass media have expressed deep indignation at major joint military exercises involving the United States and South Korea scheduled for February 10. The Korean press and radio and television stations have condemned the massive military exercises, code named "Team Spirit-86", as a threat to peace that worsens the tense situation on the Korean peninsula and disrupts the North-South dialogue.

The Korean newspaper NODONG SINMUN said in a commentary yesterday that the planned large-scale military exercises demonstrate that Washington and Seoul are not eager for a dialogue and do not want regional detente. A joint statement issued Monday by the Korean Red Cross, economic and parliamentary delegations, said that because of the U.S. and South Korean authorities' insistence on holding the military exercises, the North had to postpone the North-South talks until the end of the exercises.

The Committee for the Peaceful Reunification of the Fatherland also rejected the claims of Washington and Seoul that the military exercises were "defensive" and "irrelevant" to the North-South talks as excuses and sophisms. It said that the U.S. and South Korean authorities should frankly acknowledge their mistake in causing the postponement of the North-South talks and be responsible for the consequences of their actions.

At a mass meeting held here yesterday, Kim Hwan, member of the Political Bureau of the Workers' Party of Korea warned that the joint military exercises were "unbearable challenges" to the North's efforts to relax tension through dialogue and consultation and to realize peace and peaceful reunification. He noted that the purpose of the exercises was to maintain the division of the nation and to create "two Koreas." He called on nations of the world to condemn the planned military exercises and support the Korean people's just struggle for the realization of a nuclear-free zone and peace on the Korean peninsula.

Commentaries and statements in the Korean media have emphasized that the North side of Korea opposes military confrontation and that its resolve to improve relations between the North and South to ultimately achieve national reunification remains unchanged. They urged Washington and Seoul to respond to the Korean Government's call by stopping their military maneuvers and by immediately canceling the scheduled joint military exercises.

SOVIET UNION, DPRK ISSUE JOINT COMMUNIQUE

OW231910 Beijing XINHUA in English 1858 GMT 23 Jan 86

[Text] Pyongyang, January 23 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) and the Soviet Union said in a joint communique today they are satisfied with the strengthening and advancing of the relations between the two countries and two parties. The joint communique was issued at the end of a five-day official visit to the DPRK by Soviet Foreign Minister Eduard Shevardnadze. It said that the two sides held discussion on bilateral relations and international issues of urgent concern, and had "fully identical views" on all the issues discusses.

The communique, published by the KOREAN CENTRAL NEWS AGENCY (KCNA), said the two ministers' talks marked a great point in strengthening Korean-Soviet friendship. The two sides "feel satisfied" with the results of their talks and agreed to further coordinate their joint actions on the international arena. The Korean side supports the Soviet position at the Geneva summit and the extensive and constructive measures put forward by Warsaw Pact countries. DPRK particularly favors Soviet leader Mikhail Gorbachev's recent proposal to eliminate all nuclear weapons by the end of the century, the communique said. The communique said, the two sides are particularly concerned about the situation in the Far East and Asia as a whole. They strongly condemn the U.S. occupation of the southern part of Korea and the intention of the United States, Japan and the South Korean authorities to form a tripartite military alliance.

The Soviet side voiced support to the efforts of the Korean Workers' Party and the Korean Government to force U.S. troops to withdraw from South Korea with a view to realizing the unification of the country on the basis of peace, democracy and non-interference from outside. The two sides oppose and boycott the attempt of creating "two Koreas" by means of recognizing each other by the two parts of Korea, and "the admission of the North and the South of Korea into the United Nations," the communique stressed.

GROUP CALLS FOR DETENTE ON KOREAN PENINSULA

OW251206 Beijing XINHUA in English 1151 GMT 25 Jan 86

[Text] Paris, January 24 (XINHUA) -- An international organization today made an urgent appeal to all the governments and parliaments, international organizations and the peace-loving forces of the world to make the international peace year of 1986 "a year of detente and peace in the Korea peninsula".

A statement issued by the International Liaison Committee for the Independent and Peaceful Reunification of Korea (Cilreco) here today said the members of the special committee of the non-governmental organization for disarmament consider "very positive" the decision by the Democratic People's Republic of Korea on January 11 to halt military exercises in Korea. The statement denounced the United States and the South Korean authorities for announcing military exercises starting from February in disregard of the DPRK initiative.

SHEVARDNADZE LEAVES MONGOLIA FOR HOME 25 JAN

OW251552 Beijing XINHUA in English 1511 GMT 25 Jan 86

[Text] Ulaanbaatar, January 25 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze left here for home today after [words indistinct] official visit to Mongolia, the third (?leg of) his Asia tour. During his visit, Shevardnadze had talks with the chairman of the Presidium of the People's Great Hural of Mongolia, Jambyn Batmonh, and Mongolian Foreign Minister Mangalyn Dugersuren. The Soviet news agency TASS [words indistinct] that the two sides were of the same views on international issues, in particular problems in Asia. The two sides stressed the need to continue broadening and deepening bilateral relations and enhance the efficiency of cooperation in all spheres, TASS added. According to TASS, Shevardnadze also signed with Dugersuren an agreement on simplified procedures of crossing national boundaries by Mongolian and Soviet citizens living in (?border) [words indistinct]. The Soviet Foreign Minister also visited Japan and the Democratic People's Republic of Korea.

JAPANESE MARK ZHOU ENLAI DEATH ANNIVERSARY

OW240816 Beijing XINHUA in English 0727 GMT 24 Jan 86

[Text] Tokyo, January 23 (XINHUA) -- Nearly 150 Japanese personages from various circles in Kitakyushi, Fukuoka, refreshed their memory of the outstanding role which the late Chinese Premier Zhou Enlai had played in promoting Sino-Japanese friendship, at a meeting this evening in commemoration of the 10th anniversary of his death. Gohei Tani, mayor of Kitakyushi, and Zhang Xiangshan, vice chairman of the China-Japan Friendship Association, were present on the occasion.

Speaking at the meeting, Zhang recalled Zhou's contribution to the Chinese-Japanese rapprochement at its different stages, and expressed the hope that the peoples of the two countries would work jointly to maintain their good relations for many generations to come. Tani praised the former Chinese leader for his outstanding role in international affairs and in promoting Japan-China friendship. He said Kitakyushi, which had done much to encourage exchanges between the two nations, would make new contribution to bilateral relations as a tribute to Zhou. Zhou Enlai died on January 8, 1976 at the age of 78.

BEIJING VIETNAMESE ON SRV PAVILION AT TRADE FAIR

OW270011 Beijing in Vietnamese to Vietnam 1400 GMT 23 Jan 86

[Article by Vietnamese 'Patriot' Hong Trung: "Some Impressions of Vietnam's Pavilion at the International Trade Fair"]

[Text] The Asia-Pacific International Trade Fair, with the participation of 26 countries and regions, was organized in Beijing from 15-30 November 1985. During this period, I visited the fair and observed that the majority of countries, including the Soviet Union, China, the United States, Japan, and East Germany, had exhibited many items of goods and industrial products typical of a developed economy and advanced science and technolgy, highly valued by visitors. Meanwhile, Vietnam displayed only a small number of goods, most of them agricultural products. This clearly reflected Vietnam's poverty and backwardness.

As a Vietnamese, I know the Vietnamese goods displayed at the fair very well. I discovered that the form and quality of products exhibited were poorer than in previous years. The farm products included coffee, millet, black and green beans of various sizes, peanuts [words indistinct]. Only the display of rice was somewhat atractive, because the grains were white and uniformly full-fleshed. At the beginning, I was worried at the sight of baskets of rice displayed there. I was wondering how the Vietnamese people would be able to survive if the Le Duan clique scraped up all the rice available in Vietnam to export to a certain country wanting to buy it, especially when the shorttage of rice for local consumption was still prevalent. However, my worries were dispelled when I realized that only a few countries had established trade relations with Vietnam since the Le Duean clique's dispatch of troops to invade Cambodia. Such was the state of agricultural products, while that of industrial products was worse. Vietnamese electric fans displayed were of a hand's size, looked so ugly, and were so noisy that the Honoi people describe them as toad-like. The poor quality of these power-guzzlers, manufactured by the Thong Nhat Electromechanical Plant in Hanoi, has been much criticized. Their nickname also derives from the fact that they jump up like toads. The traditional goods included rattan articles, bamboo blinds, and lacquerware. But only the lacquerware drew public attention. However, not all visitors knew that the production of this Vietnamese fine-art ware was faced with tragic difficulties, to the extent that it might be suspended for good. Hanoi newspapers have recently complained that the majority of lacquerware craftsmen have given up their occupation. As a result, many cooperatives in localities previously specializing in lacquerware production, have stopped operations or currently exist in name only.

Commenting on the Vietnamese pavilion, visitors said that, while other countries had brought competitive products and sophisticated machines to the trade fair [words indistinct], Vietnam had brought only such products as black beans, illicium verum flowers, cinnamon bark, and even a tiny lock, thus proving that it had nothing else. It seemed that the quality of Vietnamese goods had not improved in 20 years. This was true, and I fully agreed with these visitors. I also realized that any goods exhibited abroad should be worthy of exhibition, and should bear typical features representing the economic, scientific, and technological development of a country. As for the grain, such as millet and green beans, they are not typical products of the 1980's, but existed some hundred years ago. Moreover, in the current starvation situation, these products should be used mainly to relieve the people's hunger instead of being used in goods exchange or trade with other countries.

After leaving the Vietnamese pavilion, I, a Vietnamese, thought that, in face of the current situation, if the Le Duan clique refuses to change its line, put an immediate end to its aggressive war in Cambodia and to its anti-China policy, and concentrate all efforts on economic construction and care for the people's life, the economy, science, and technology of Vietnam will never be able to catch up with those of developed countries.

DK RADIO REPORTS SRV REINFORCING TROOPS

OW250645 Beijing XINHUA in English 0630 GMT 25 Jan 86

[Text] Beijing, January 25 (XINHUA) -- Vietnamese authorities sent 7,900 troop reinforcements to Siem Reap, Pursat, Battambang, and Koh Kong provinces in Kampuchea between mid-December and mid-January, radio Democratic Kampuchea reported today. The radio station said that Vietnamese forces also moved 24-T tanks, eight pieces of 130 mm artillery and a large amount of ammunition and military supplies in to the provinces.

The reinforcements were added to about seven divisions of Vietnamese troops already in the four provinces where Kampuchean patriotic resistance forces have inflicted heavy casualties on the Vietnamese troops. The radio station said the ongoing military buildup demonstrates that Hanoi's claim that it is withdrawing troops from Kampuchea is nothing but a "fraud".

NEARLY 1000 SRV, PRK TROOPS 'DEFECTED LAST MONTH'

OW261013 Beijing XINHUA in English 0704 GMT 26 Jan 86

[Text] Bangkok, January 26 (XINHUA) -- About 800 Heng Samrin troops and 200 Vietnamese troops in Kampuchea defected last month, secretary-general of the National Security Council of Thailand Prasong Sunsiri dislosed recently. The security chief was quoted by the local press as saying that the Kampuchean resistance forces have been stepping up military operations in the inland areas, which forced the Vietnamese to use helicopter gunships in major operations against the resistance. Fighting is fierce in provinces of Oddar Meanchey, Battambang, Siem Reap, Kompong Thom and Kompong Chhnang as well as Phnom Penh City, he added.

The intensified resistance actions and the massive defections of Heng Samrin and Vietnamese troops are two main factors hampering the Vietnamese in launching their dry-season offensive which usually starts from November of the preceding year, Prasong noted. He said that all the three factions of the coalition government of Democratic Kampuchea are engaged in the fighting against the Vietnamese.

Despite the growing difficulties facing the Vietnamese during the current dry-season, Prasong warned, the Vietnamese may mount attacks on Thai territory in a stepped-up border offensive against the resistance next month.

THAI RETURN VIETNAMESE FIRE IN ARTILLERY DUEL

OW251202 Beijing XINHUA in English 1145 GMT 25 Jan 86

[Text] Bangkok, January 25 (XINHUA) -- Vietnamese gunners continued to pound the Thai Marine base at Ban Hat Lek in Khlong Yai District of Trat Province, triggering a fierce duel of artillery and mortar fire this morning, a Thai military informed source reported today. The source said that the Vietnamese shelling began at about 7 a.m. and continued till 10 a.m. The shelling forced the marines to be put on full alert. The source believed that the renewed shelling of the Thai Marine base by Vietnamese troops was to test the firepower of the marines.

A division of Vietnamese troops are deployed at the Banthat mountain range overlooking the Thai Marine base, the source said. Two days ago, Vietnamese gunners fired across the border at the same marine base in east Thailand bordering Kampuchea. Three marines were killed. It was reported that Thai Navy will file a full report to the Foreign Ministry in order to formally protest against the Vietnamese shelling.

3 THAI SOLDIERS KILLED IN 24 JAN BORDER CLASH

OW261023 Beijing XINHUA in English 0701 GMT 26 Jan 86

[Text] Bangkok, January 26 (XINHUA) -- Three Thai infantrymen were killed and three others injured in a border clash with intruding Vietnamese troops in Thailand's northeastern province of Ubon Ratchathani on January 24, local newspaper BANGKOK POST reported today quoting Thai military sources. The clash was the third between Thai and Vietnamese troops since January 23 in Nam Yun District of the province adjacent to Preach Vihear Province in Kampuchea.

According to the Thai military, Thai troops clashed with a group of Vietnamese soldiers when they found them planting landmines on Thai soil. The fighting lasted about two hours before the intruders retreated back into Kampuchea. Casualties of Vietnamese troops were not available but believed to be high. The death of three Thai infantrymen followed that of three Thai marines on January 23 when Vietnamese gunners pounded a marine base in Khlong Yai district of Trat Province in eastern Thailand.

INDOCHINESE FOREIGN MINSTERS MEETING REPORTED

OW241943 Beijing XINHUA in English 1913 GMT 24 Jan 86

[Text] Hanoi, January 24 (XINHUA) -- Foreign ministers of Vietnam, Laos and the Hanoi-backed Heng Samrin regime in Phnom Penh ended their two-day discussion on Kampuchea today, according to a report from Vientiane. A communique issued at their 12th foreign ministerial meeting in Vientiane, capital of Lao, said that 1990 is still the time set by Vietnam for withdrawing its troops from Kampuchea. The communique, virtually a repetition of Hanoi's position on Kampuchea, offered nothing new in regard to Vietnam's seven-year-old occupation of Kampuchea.

Hanoi has demanded time and again that Thailand stop supporting the Kampuchean resistance forces and "foreign forces" cease "intervening" in Kampuchea. It has also called for a national reconciliation on the basis of eliminating "Khmer Rouge."

The communique stood again for block-block dialogues between ASEAN and "Indochinese countries" and said recent and future contacts between foreign ministers of Vietnam and Indonesia will contribute to the "political solution" to the Kampuchean issue. The communique welcomed Vietnam's and Laos' recent contacts with the United States on Americans missing in action (MIA) during the Vietnam war. It added, however, the foreign ministers feel regret at the U.S. official reluctance to contact delegates from the Vietnam-installed regime in phnom Penh.

SRV ACCUSED OF OBSTRUCTING REFUGEE REPATRIATION

OW251058 Beijing XINHUA in English 0851 GMT 25 Jan 86

[Text] Bangkok, January 25 (XINHUA) -- A high-ranking Thai security official pointed out that the Vietnamese are the major stumbling block to the repatriation of displaced Kampucheans in Thailand. Prasong Sunsiri, secretary-general of the National Security Council, was commenting yesterday on the joint communique of the "foreign ministers' conference of the three Indochinese nations."

The two-day meeting among Vietnam, Laos and the Heng Samrin regime in Kampuchea, which ended in Vientiane yesterday, declared that the Phnom Penh regime is ready for negotiations on the repatriation of Kampuchean refugees stranded along the Thai-Kampuchean border. It was reported that over 200,000 displaced Kampucheans are living in Thailand because of the seven-year-old war in their country. Thailand accepted them out of humanitarian consideration.

Prasong refused the request by the Vientiane meeting that Thailand move Kampuchean refugee camps farther away from the Kampuchean border. It is the sovereignty of Thailand to decide where a refugee camp should be situated, he said. The Vietnamese, Prasong said, want as many Kampuchean people to leave Kampuchea as possible to facilitate the resettlement of Vietnamese in the country. About 700,000 Vietnamese have so far been resettled in Kampuchea, particularly in Phnom Penh and the areas around Tonle Sap Lake, according to Prasong.

BRITISH MINISTER RENTON VISITS HONG KONG

OW231548 Beijing XINHUA in English 1501 GMT 23 Jan 86

[Text] Shenzhen, January 23 (XINHUA) -- British Minister of State, Foreign and Commonwealth Office Timothy Renton and his party left here for Hong Kong this afternoon. During their six-day tour of China, the guests also visited Beijing, Shanghai and Guangzhou.

Speaks on Future System

OW241727 Beijing XINHUA in English 1448 GMT 24 Jan 86

[Text] Hong Kong, January 24 (XINHUA) -- British Minister of State Timothy Renton reiterated here today the need for "convergence between the system that is evolving in Hong Kong and the system to be laid down in the basic law (for the future special administrative region)"

At a press conference before his departure for Bangkok early this morning, Renton explained that the meaning of the word convergence is "a question of two sides coming together." "We are creating a railway line which will lead us to 1997, and the Chinese will be creating a separate railway line which leads on from 1997. The need is to see that those two railway lines meet together at a crossing point."

According to the Sino-British joint declaration on the future of Hong Kong, which was signed at the end of 1984, the Chinese Government will resume the exercise of sovereignty over Hong Kong with effect from July 1997 and make it a special administrative region with a high degree of autonomy. Renton said that the British government has no "preconception" about the form of constitutional change that should [word indistinct] Hong Kong, "except the extent we stand four squares behind implementing this document." In years ahead, Renton said, there is going to be some management problems when working out the details of the joint declaration. "Only by regular contacts and increased exchange of views at all levels that we can avoid future misunderstandings."

At the beginning of the press conference Renton said that the development of a broader and deeper economic relationship between Britain and China, and the increase in contact and understanding which will go with it, can only be good for Hong Kong. Renton arrived here yesterday after a five-day visit to Beijing and other parts of the Chinese mainland.

WESTERN EUROPE

EC TO SET UP PERMANENT MISSION IN CHINA

OW250924 Beijing XINHUA in English 0855 GMT 25 Jan 86

[Text] Brussels, January 24 (XINHUA) -- An European Community official said today that EC is on the way to send permanent representatives to China in view of the common desire of EC and China to further develop their bilateral relations.

Willy de Clercq, member of the EC Commission for External Affairs, told a group of Belgian entreprenures that this move is favored by European enterprises, small and medium-sized ones in particular. The installation of a permanent mission in Beijing will facilitate the exploration of the vast market in China, he said. Pointing to the good relationship between EC and China, the commissioner said that "there is no divergence of views between China and Europe on major international issues," and that "China firmly supports the European integration process." De Clercq said China, with its one billion population and its ambition to realize modernization, is potentially a huge market. It needs to extensively introduce foreign products and technology, thus providing an opportunity which European enterprises may take advantage of.

He disclosed that this year EC will set aside 935,000 ECU [European currency units] (more than 800,000 U.S. dlrs) for developing cooperation with China. EC may initiate many technological cooperation projects in China, including sending experts, training managers and providing technology in the fields of metallurgical industry, agriculture and energy. It is also possible to start projects in information and telecommunication. He said all these projects are attractive to European industries. The commissioner also said that EC will financially support European enterprises in undertaking projects in China.

SWEDISH NAVAL VESSEL ARRIVES IN SHANGHAI

OW211907 Beijing XINHUA in English 1837 GMT 21 Jan 86

[Text] Shanghai, January 21 (XINHUA) -- A ship of the Swedish Royal Navy arrived here this afternoon for a five-day visit to China's biggest port city of Shanghai. This is the second training voyage of the Carlskrona, captained by Commander Gustaf af Klint, to China. The first port call was in 1983.

On arrival, the vessel was greeted by 100 Chinese naval officers and men stationed here, who gave the visitors a welcome banquet this evening. The Swedish sailors will visit Chinese naval vessels, a ship building plant and hospitals here.

ZHAO ZIYANG MEETS WITH DUTCH MINISTER OVER PORT

OW251829 Beijing XINHUA in English 1451 GMT 25 Jan 86

[Text] Beijing, January 25 (XINHUA) -- China and the Netherlands will jointly build Nantong Port on the Yangtze River in east China's Jiangsu Province.

At a meeting here with Dutch Minister of Transport and Public Works Neelie Smit-Kroes, Premier Zhao Ziyang expressed the hope that the Nantong Port project would soon be materialized. The port is expected to be constructed with joint funds and jointly run thereafter. The premier said China is willing to cooperate with other countries in port construction in the same way. China also hopes for cooperation with the Netherlands in water conservancy and communications, Zhao said.

Smit-Kroes assured the premier that the Netherlands would try its best to get the Nantong project under way as soon as possible. She also proposed the two countries cooperate in other fields such as communications and ship-building. Smit-Kroes arrived here last Thursday as a guest of the Ministry of Communications.

MISSILE CAPABILITY INCREASED BY SUCCESSFUL TEST

HK250628 Beijing RENMIN RIBAO Overseas Edition in Chinese 25 Jan 86 p 1

[XINHUA report: "Deng Xiaoping Issues Order Commending 29 Meritorious Personel for Successful Range-Increasing Test of a Certain Underwater Missile]

[Text] Beijing, 24 Jan (XINHUA) -- Deng Xiaoping, chairman of the Central Military Commission, recently issued orders commending 29 meritorious personnel involved in the range-increasing test of a certain type of guided missile. Jiang Shaohua [3068 4801 5478] and Pei Jingfeng [5952 2529 1496], who were in charge of the test, were awarded citations of merit, first class.

The successful range-increasing test of a certain underwater missile has markedly improved the capability of this missile, increased the number of targets it can hit, expanded the coverage area of the control target [kuoda le kongzhi mubiao de fugai mianji 2368 1129 0055 2235 0455 4158 2871 4104 1788 5556 7240 4480], and increased the flexibility of its firepower application. The test has proved useful experience for modifying and improving existing strategic weapons in the future.

ZHAO, OTHERS MEET DEFENSE INDUSTRY SPECIALISTS

OW250435 Beijing XINHUA Domestic Service in Chinese 1446 GMT 24 Jan 86

[By reporters Li Shangzhi and Zhang Rongdian]

[Text] Beijing, 24 Jan (XINHUA) -- Zhao Ziyang, member of the Standing Committee of the Political Bureau of the CPC Central Committee and premier of the State Council, said today that China's defense industry is at a juncture at which it should and can make greater contributions to the country's four modernizations, and at which it is necessary to shift the industry to serving the overall modernization drive.

Party and government leaders Zhao Ziyang, Yang Shangkun, Hu Qili, Li Peng, and Fang Yi met with 20 outstanding specialists from the Ministries of Aeronautics and Ordnance Industry at Huairentang Hall in Zhongnanhai this afternoon to discuss questions concerning gearing the defense industry to the needs of socialist modernization. They asked the specialists to convey cordial greetings to the large number of workers and staff in the defense industry front. During the meeting, Zhao Ziyang spoke on production and on the direction for developing the industry.

The 20 specialists present at the meeting were Lu Xiaopeng, Gu Songfen, Zhou Yaohe, Zhang Qishan, Lu Qingfeng, Cai Yunjin, Yang Yansheng, Liu Xianshi, Zhou Tianxiao, Xu Peilin, Zhu Hesun, Wu Cangpu, Jiang Chengwei, Fu Zhengbo, Chang Shibiao, Qian Shiwen, Wang Yue, Zhao Jiazhen, Zhang Jungao, and Wang Xingqiao.

Arriving at the meeting hall, Zhao Ziyang and other leading comrades warmly shook hands and exchanged greetings with the specialists. They also posed for pictures with the specialists from the two ministries separately.

Briefing Comrade Zhao Ziyang on the names and contributions of the specialists, Comrade Hu Qili said: Among the specialists are veteran comrades who returned to China from abroad following the founding of New China, as well as graduates fresh out of college in the early days of the liberation. But most of them were trained in New China. Over the past several decades, they have displayed self-reliance and a hardworking spirit in contributing, together with the large number of workers and staff in the defense industry front, to the development of the industry. They are the unsung heroes who have conscientiously served the people. There are many other such unsung heroes in the defense industry front.

The meeting of Premier Zhao Ziyang and other leading comrades with the specialists on the eve of the Spring Festival was to express gratitude and greetings to the large number of workers and staff members in the defense industry front on behalf of the party Central Committee, the State Council, and the Central Military Commission.

During the meeting Aeronautics Minister Mo Wenxiang and Ordnance Industry Minister Zou Jiahua gave briefings on the work and production of their respective ministries. They also discussed the progress in producing goods for civilian use and future plans. In a warm atmosphere, the specialists offered constructive opinions and suggestions.

Then, Premier Zhao Ziyang spoke. He said: The large number of workers and staff in the defense industry front have made outstanding contributions to our country. Their spirit is commendable. Great progress has been recorded in our defense industry, which has a sound foundation and quality contingent of scientific and technical personnel. Remarkable achievements have also been scored in integrating the defense industry with the production of goods for civilian use. However, it should also be pointed out that the defense industry has not yet made the most use of its potential.

He said: Currently China is engaged in peaceful construction. It is necessary to conform with this trend and, under the premise of ensuring the production of the industry, and effectively guiding the ranks in a planned manner, to gear them to the needs of society and socialist modernization and economic construction. It is necessary to make full use of the advantages in equipment and technology in producing more quality products in demand by society.

Zhao Ziyang emphasized: The defense industry should equip itself with a crack contingent of scientific and technical personnel to tackle difficult assignments, improve quality, and lay the foundation. However, our ultimate goal is to invigorate the enterprises and allow the scientific and technical personnel to exercise their abilities. Currently China's defense industry is at a juncture at which it should and can contribute more to the four modernizations program. More enterprises, workers and staff members, and scientific and technical personnel from the defense industry front should gear to the needs of the modernization drive. Only when a breakthrough is achieved in this aspect can there be a guarantee for the production of the industry itself. Only when the defense industry is geared to serve the overall modernization drive is it possible to facilitate the modernization of our national defense. To further tap the production potentials of defense industry enterprises, it is necessary to transform them into enterprises producing civilian-use goods.

Comrades Li Peng and Fang Yi also spoke at the meeting. Chairman Ding Henggao and Political Commissar Wu Shaozu of the Commission for National Defense Science, Technology, and Industry were also present at the meeting.

BEIJING REVIEW RECAPS AIRCRAFT PRODUCTION

OW241713 Beijing XINHUA in English 1604 GMT 24 Jan 86

[Text] Beijing, January 24 (XINHUA) -- China has developed and manufactured more than 10,000 aircraft in the past three decades, according to the latest issue of the weekly magazine, BEIJING REVIEW, which will come off the press next Monday. They include fighters, attack planes, bombers, helicopters, transport planes, reconnaissance planes, trainers, unmanned planes, sea patrol planes and hydroplanes as well as a large number of missilies, the magazine disclosed.

China's aeronautics industry was founded in the early 1950s. Capable of doing only minor repairs in those days, the industry has developed into a full-fledged manufacturer with scientific research, production centers and educational facilities throughout the country. During the Seventh Five-Year Plan period starting this year, the structure of China's aeronautics industry will be readjusted to increase the amount of products for civilian use, said Wang Ang, vice-minister of the industry, in his article carried in the magazine. While turning out a new generation of fighter jets to catch up with world military powers, China intends to make several hundred civilian aircraft, Wang added. The country can now produce five types of transport and special-purpose airplanes, and helicopters, and five types of light and ultra-light planes.

Some 135 such aircraft were turned out in the Sixth Five-Year Plan (1981-1985), including the Yun-7 medium- and short-range passenger planes, Yun-8 medium-sized transports, Yun-11 and Yun-12 multi-purpose aircraft and Zhi-9 light helicopters. Some aircraft, including the Yun-7 and Yun-12, have attracted interest from overseas, and export negotiations are now under way.

However, China is still unable to produce long-distance airplanes due to the shortage of the necessary testing facilities. These planes have to be imported. In next five years China will continue to work with its foreign counterparts to develop new passenger planes, and import advanced technology and equipment to improve its medium-sized passenger planes, said the vice-minister.

China's aeronautical engineers have established bilateral scientific and technological relations with Federal Germany, Sweden, Britain, the United States, France, Italy and Romania. To promote technological exchanges with advanced countries, China is planning to hold an American aero-technology exhibition in Beijing this May, the first of its kind since the founding of the People's Republic.

CUTS IN ARMED FORCES 'RUNNING AHEAD OF SCHEDULE'

HK250520 Beijing CHINA DAILY in English 25 Jan 86 p 1

[By staff reporter Liu Dizhong]

[Text] Massive cuts announced last year in the Chinese armed forces are going smoothly, and currently running ahead of schedule. More than 100,000 officers have so far been discharged. And by the end of this month, jobs will have been assigned for nearly 800,000 troops returning to civilian life, including 770,000 compulsory servicemen and 30,000 volunteer soldiers. Meanwhile, about 47,000 aging PLA officers have retired from military service and received a "decent arrangement," costing the state more than one million yuan ($360 million).

Demobilization is expected to be completed three months ahead of schedule, said a senior official of the Ministry of Civil Affairs. He said this was part of the Ministry's efforts to assist the streamlining of the forces by one million servicemen within two years. The plan was first announced by party General Secretary Hu Yaobang when he visited Australia in April last year. About half of the one million personnel to be discharged will be officers. The streamlining will reduce the nation's armed forces to its lowest numbers in recent decades.

Although a complex task, the resettlement of de-mobbed soldiers was running smoothly, said the official. He attributed this to growth in the nation's economy. He said the prosperity of urban and rural enterprises had made it easy to find new jobs for servicemen. Tremendous efforts had also been made by the forces to train soldiers for new jobs, he said.

At a recent national meeting to exchange experience on resettlement work, Zhou Wenyuan, deputy director of PLA's General Political Department, called for compulsory secondary education for soldiers during the Seventh Five-Year Plan. Those who have received secondary education before recruitment would be encouraged to complete university courses during their service in the army, said Zhou. The goal is for all demobilized soldiers to reach the junior middle school educational level by the end of 1987.

Zhou stressed that both officers and men should be trained in both military and production skills and given a basic knowledge of science, technology and management. In the last few years, more than 120,000 training courses have been set up to teach soldiers civilian skills in transport, agriculture, food processing and other trades. The de-mobilized usually return to their home areas, and are assigned jobs there. But preferential treatment in job placement would be given to those formerly involved in frontier defence and wars or who had performed meritorious service, the Civil Affairs Ministry official said.

NAVAL VESSELS RETURN HOME AFTER VISITS

OW190842 Beijing XINHUA in English 0825 GMT 19 Jan 86

[Text] Shanghai, January 19 (XINHUA) -- Two Chinese naval vessels, a destroyer and a supply ship, returned here today after a goodwill visit to Pakistan, Sri Lanka and Bangladesh. This is the first time for Chinese naval vessels to visit foreign countries since the founding of the People's Republic.

Addressing a welcoming rally held at the Wusong Port this morning, Zhang Xusan, deputy commander of the Chinese Navy, said the visit shows that the People's Navy is marching forward along the road of modernization and marks new stage of development in the friendly relations between the people of China and other countries.

Nie Kuiju, commander of the East China Sea Fleet of the Chinese Navy who commanded the two vessels during the visit, described the visit as a success, adding that it had promoted mutual understanding and friendship between the Chinese Navy and the naval forces of the three South Asian countries. Vice-Mayor of Shanghai Ni Tianzeng and diplomatic officials of the three countries in China also attended the rally.

The Chinese vessels left Shanghai on November 16 last year, their visit lasted for 65 days and covered 12,430 nautical miles.

FOREIGN TRADE MINISTRY'S LEADING BODY RESHUFFLED

HK250904 Beijing GUOJI SHANGBAO in Chinese 16 Jan 86 p 1

[Report: "New Leading Body of the Ministry of Foreign Economic Relations and Trade"]

[Text] It has been learned from the department concerned that the Ministry of Foreign Economic Relations and Trade has recently reshuffled its leading body. The namelist is as follows:

Minister	Zheng Tuobin
Vice Minister	Lu Xuejian
Vice Minister	Wang Pinqing
Assistant Ministers	Shen Jueren [3088 6030 0086]
	Zhu Youlan [2612 0645 5695]
	Wang Wendong [3769 2429 2639]
	Lin Zhongming [2651 0022 7686]

The State Council has formally removed Wei Yuning and Jia Shi from their posts as vice ministers of foreign economic relations and trade; Li Ke, Chen Jie, and Wang Pinqing from their posts as representatives of the minister of foreign economic relations and trade; and Lu Xuzhang, Shi Lin, Cheng Fei, Lei Renmin, and Wang Runsheng from their posts of advisors to the Ministry of Foreign Economic Relations and Trade.

REGULATIONS ON SINO-FOREIGN VENTURES REVISED

Maximum Term Increased

OW240914 Beijing XINHUA in English 0902 GMT 24 Jan 86

[Text] Beijing, January 24 (XINHUA) -- The Chinese State Council has extended the maximum term of most joint ventures with foreigners from 30 to 50 years, effective February 1. According to the new policies, announced today but formulated last week, applications for extensions beyond 50 years will be welcomed from joint ventures:

-- Requiring large amounts of investment and long periods for construction.
-- Operating on low profit margins.
-- Having foreign partners who provide advanced technology or expertise to produce goods that will generate export income.

The new policies revise Article 100 of the 1983 "Regulations for the Implementation of the Law of China on Joint Ventures Using Chinese and Foreign Investment."

Currency Help Detailed

OW241046 Beijing XINHUA in English 1031 GMT 24 Jan 86

[XINHUA headline -- "State To Help Joint Ventures Overcome Currency Problems"]

[Text] Beijing, January 24 (XINHUA) -- Sino-foreign joint ventures which run into foreign currency deficit problems can receive government help under new State Council regulations, it was announced today. The 14-article regulations, which take effect from February 1, are aimed at encouraging more foreign partners to join in ventures by helping them overcome foreign exchange account problems, said a State Council official here. However, the regulations warn that joint ventures which do not fulfill contract requirements on foreign exchange earnings and export production will not receive such help.

The regulations say that joint ventures should aim to produce more for export to earn foreign currency, and should strive to maintain a healthy balance on their foreign exchange accounts. If a joint venture runs into deficit problems, the relevant Chinese department will be empowered to draw on the foreign exchange reserves of all joint ventures under its administration to readjust the deficit.

Some joint ventures will be allowed to sell large quantities of their goods on the Chinese market for long periods. The goods must be in urgent need by domestic buyers, and the foreign investor must have brought in advanced technology to produce sophisticated and internationally-competitive products. In such cases, the ventures' foreign exchange balance will be helped out under national or local foreign currency consumption plans.

Chinese departments with sufficient foreign currency will be able to pay for these ventures' products with it, with the approval of state foreign exchange control departments.

Foreign partners involved in two or more joint ventures in China will be able to pool foreign currency reserves if one runs into a deficit, with the approval of exchange control authorities.

And foreign investors in joint ventures which run up foreign exchange deficits will be encouraged to re-invest their share of Chinese currency earnings in other joint ventures which they consider will earn more foreign exchange.

The regulations also apply to Sino-foreign co-operatively-run enterprises, and joint ventures and co-operative enterprises with partners from Hong Kong, Macao and Taiwan. But they do not apply to joint ventures specializing in finance or insurance, which are run by partners from abroad or Hong Kong, Macao or Taiwan.

XINHUA Commentary

OW241102 Beijing XINHUA in English 1047 GMT 24 Jan 86

["Commentary: China Bids To Attract More Foreign Investment" -- XINHUA headline]

[Text] Beijing, January 24 (XINHUA) -- New State Council regulations concerning Sino-foreign joint ventures, which were published today, are designed to enhance economic co-operation with foreign partners. The regulations offer help to joint ventures which run into foreign exchange deficit problems, and also provide for the extension of the life of such ventures. They involve the use of more foreign funds to enable China to open wider to the rest of the world.

The government has been making efforts to protect the legitimate rights and interests of foreign investors in China by strengthening the law. Over the past few years, China has passed more than 100 economic laws and regulations related to Sino-foreign economic ties. These have played an increasingly greater role in protecting the legitimate rights and interests of the more than 1,800 joint ventures and 3,300 Sino-foreign co-operatively-run enterprises. The new regulations once again display that China's policy of opening to the outside world is a long-term measures. And they demonstrate that China is taking practical measures to guarantee foreign exchange earnings for joint ventures in China.

Foreign currency balance has been a common concern of all foreign investors in joint ventures. The experience of the past few years has shown that as long as foreign partners bring in advanced technology to produce internationally-competitive products, they will make profits. And the longer the duration of their investment -- the greater their profits.

For example, most of the 170 joint ventures and Sino-foreign co-operatively-run enterprises in the Shenzhen Special Economic Zone, Guangdong Province, are making considerable profits. In 1984, their profits totalled 176 million yuan. A very small number of joint ventures in Shenzhen and elsewhere in China have run into foreign exchange problems. But the main reasons have been a depressed world market and the outdated equipment they invested.

Chinese foreign economic relations and trade officials believe the new regulations will encourage more foreign partners to invest in China, particularly those who are willing to bring in advanced technology to run long-term joint ventures and co-operatively-run enterprises.

MAJORITY OF NEWSPAPERS, MAGAZINES SUBSIDIZED

HK230827 Beijing CHINA DAILY in English 23 Jan 86 p 1

[By staff reporter Wu Jingshu]

[Text] More than half of China's newspapers and magazines have been launched in the last five years. The 1,008 new newspapers, started since 1980 when the country embarked on its nationwide economic reform, account for more than 56 percent of the 1,777 daily, weekly and monthly publications printed in the country.

However, not all of them are doing well financially. Only a quarter of the nation's newspapers, both old and new, are earning a profit or keeping within their budgets. The rest are running at a deficit, relying on subsidies from their sponsors, according to a national survey of newspapers conducted by the Journalism Research Institute under the Chinese Academy of Social Sciences. The survey will be published in the next issue of CHINA JOURNALISM JOURNAL. The results of the survey, disclosed to CHINA DAILY yesterday, show a marked growth in collectively-owned newspapers.

Although their total number accounts for only 2.7 percent -- or only 40 -- of the 1,777 newspapers now in circulation, their sales are going up fast -- reaching a total of 7.18 million last year. Another outstanding feature of these "small papers" is their efficiency. Usually run by just a few experienced professionals with the help of several free-lance writers, these papers are highly competitive and rarely suffer financial losses, the survey shows.

In one case, the SHANXI RURAL ABACUS JOURNAL run by four rural residents, who were its editors, reporters and publishers at the same time, has a circulation of 500,000.

The 13 educational journals published by collectives now have a readership of more than 4 million -- mainly among students and teachers, according to the survey. However, the country's 98 daily and evening newspapers are still the most popular, despite a drop in circulation at the beginning of 1986.

Out of a registered total national newspaper circulation of 207 million copies, PEOPLE'S DAILY still leads with daily sales of 3.68 million a day, followed by REFERENCE INFORMATION -- a tabloid focusing on foreign dispatches -- with 3.57 million copies. The third is CHINA YOUNGSTERS NEWS, a weekly, which now sells a 3.37 million copies. The three popular evening papers -- the GUANGZHOU EVENING NEWS, SHANGHAI EVENING NEWS and Beijing EVENING NEWS -- dropped circulation this year by 10, 4 and 8 percent to 1, 5, 1.33 and 0.74 million respectively, according to the latest subscription register.

Survey Detailed

OW231139 Beijing XINHUA in English 0901 GMT 23 Jan 86

[Excerpts] Beijing, January 23 (XINHUA) -- China's economic reforms have led to a big growth in the newspaper industry, according to Beijing press reports today.

Regular sales of national and local newspapers now total more than 202 million copies, according to the survey. Communist Party newspapers above county level now number 368, or more than 20 percent of the total. The number of professional papers is growing quickly. Up to last March, there were 160 devoted to science and technology, 112 to economics, 174 to education and 61 to politics and law.

Among other newspapers, 28 are especially for children, 22 for young people, two for the aged, 26 for workers, 25 for peasants, 11 for returned Overseas Chinese and 361 specialize in business news. In addition, there are 80 papers for ethnic minorities, printed in 13 minority languages.

SHANGHAI PLANT WORKERS OBSERVE DISCIPLINE ABROAD

HK220411 Beijing RENMIN RIBAO in Chinese 18 Jan 86 p 1

[Report: "Shanghai No 27 Radio Plant Group Observes Discipline While Receiving Training Abroad"]

[Text] In line with the needs of technical transformation, the Shanghai No 27 Radio Plant made an investment by importing some important equipment. In accordance with contract stipulations, the plant sent a group to Tokyo and Osaka, Japan at the end of 1984, to be trained in the use of automatic wire-coiling machines.

The group comprised three people: Communist Party member Xu Lugen, head of the No 1 workshop; Communist Party member Tang Huiqi, head of technical equipment; and an interpreter. During their stay abroad, they consciously observed discipline and declined to accept certain "favors" and "rewards" offered by the supplier, thereby upholding national dignity.

One day, after discussing a matter with the supplier concerning the implementation of the contract, the comrades of the group were prepared to leave Osaka for Tokyo. At noon, a chief from the supplier's factory told them: "We have bought your train tickets for the trip back to Tokyo. You can enjoy a special discount of 10 percent. The tickets can be purchased for only 10,200 yen each. You may claim payment for the full price of 12,000 yen back home and keep the balance as pocket money." The comrades of the group considered this to be wrong and declined.

During their training period at a manufacturing center, members of the group participated in technical training by day and devoted themselves to study and discussion at night. They also had to prepare lessons before class. They often did not sleep until late at night. One day, a responsible person of the manufacturing center said to them: "You study day and night and have no time to go shopping. I can buy each of you a color television set, if you just hand me your pocket money. That will do, and I will make up the balance needed." The comrades of the group politely replied: "Thank you for your concern. We have come here chiefly to learn things. Electronic products have now become common in our country. When we have time later, we will go out to take a look for ourselves." Why were they impervious to the lure of "special favors" and "rewards?"

Communist Party member Xu Liugen, head of the group, said aptly: Our group was sent abroad by the organization concerned to receive training. We not only felt greatly honored but were also filled with a great sense of responsibility. The attitude adopted toward "special favors" and "rewards" from the other side has a bearing on the motherland's prestige and national dignity. We should impose strict demands on ourselves. In no way must we compromise national dignity and personal integrity.

Commentator's Article

HK220413 Beijing RENMIN RIBAO in Chinese 18 Jan 86 p 1

[Commentator's article: "Do Not Forget the Cardinal Principles of Moral Integrity While Staying Abroad"]

[Text] In going abroad to study, to conduct surveys, to pursue further studies, and to carry out economic and technical exchanges, the aims are: To learn; to introduce advanced foreign science and technology and management experiences; to increase understanding between the people of our own and other countries; and to stimulate our modernization.

During their stay in Japan to receive technical training, three comrades of the Shanghai No 27 Radio Plant, including Xu Liugen, felt a great sense of responsibility and studied day and night. Before their completion of studies and return home, they declined to accept "special favors" and "rewards" from the other side. Such a way of humbly learning things and strictly observing rules of discipline guiding Chinese workers abroad has won praise from the unit in charge of their training and should be hailed.

In the past few years, our country has sent quite a large number of delegations and groups abroad on business. Most of the comrades have performed quite well while abroad. But some people going abroad on such pretexts as "conducting surveys" and "studying things" have produced scant results, due to their lack of technical expertise and knowledge. A small number of people have even seized the opportunity to sightsee and to reach out for "foreign goods," compromising personal integrity and national dignity. This is a manifestation of unhealthy party style and social practices in exchanges with foreign countries and must be rectified.

People in foreign countries treat our personnel abroad with gifts or rewards, mainly out of friendship. On no account should this be doubted. But there is also no denying that an extremely small number of people have an axe to grind. They are bringing the so-called "art of angling" to bear on some of our workers abroad who are greedy for something extra. As a result, contracts that should not be signed are concluded. Things that should not be allowed are promised. Where an individual gains something extra, the state suffers a huge loss. Personnel guilty of such a mistake should be dealt with solemnly.

People going abroad should not forget principle. To get something done, we must send people abroad. We must select those who know the ropes and who are the right kind. No unit can act out of sentiment by favoring certain people when choosing travelers abroad and by letting anyone who asserts himself go. Comrades going abroad must observe the rules of discipline guiding Chinese workers abroad and uphold the dignity of the state and the people. The state's money must be spent where it counts most. Our country is still not quite well off. Those people sent abroad at such a high cost to the state should do everything possible to serve it, enhance its image and dedicate acquired skills and knowledge to the cause of modernization. Only in this way are they worthy of the weighty mission with which they are entrusted by the state.

GUANGMING RIBAO COMMENTS ON SPIRITUAL CIVILIZATION

HK210924 Beijing GUANGMING RIBAO in Chinese 7 Jan 86 p 1

[Commentator's article: "Persist in Carrying Out Reform, Do a Good Job in Building Spiritual Civilization"]

[Text] Building socialist spiritual civilization is a long-term strategic task. Under the new situation of reforms developing from the rural areas to cities and spreading in a pervasive manner, the problems to be solved are how to correctly understand the role of reform in promoting the construction of spiritual civilization and how to make the construction of spiritual civilization ensure and promote the smooth progress of reforms. Some onesided views exist at present in this regard. For example, some people link reform with uncivilized phenomena such as the unhealthy tendencies inside the party and in the society, holding that they are the result of reforms. Certain units and people that take the lead in reforms have come under some unfair criticism. Some cadres and other people invariably focus on the negative side when the effects of opening up and invigorating the domestic economy are mentioned. These onesided understandings must be clarified in theory, based on the actual conditions.

Reform Pushes Ahead the Building of Spiritual Civilization, While the Building of Spiritual Civilization Ensures the Smooth Progress of Reform

The party Central Committee has once again stressed that it is necessary to persist in putting reform in the first place, making reform and construction suit and promote each other. Reform promotes the development of the productive forces and will inevitably bring about a series of changes in economic life, social life, work style, and spiritual state. The most basic thing is to enable people to more correctly master and apply the objective laws governing socialist construction, so that socialist construction, which includes building material civilization and spiritual civilization, may better express the developmental laws of social history in conformity with the Marxist theories on knowledge and historical materialism and the objective realities of China. Therefore, reform has blazed new trails for building the material civilization and the spiritual civilization. Without the spirit of reform, we will fail to do a good job in building spiritual civilization. This is one important point.

Another point is that the construction of socialist spiritual civilization is capable of promoting the whole society to shape a civilized, healthy, and scientific lifestyle which suits the requirements of the development of the modern productive forces and will invigorate a positive, progressive, and motivated spiritual state. It is capable of cultivating and upgrading the spiritual and cultural qualities of the people, bringing up one generation after another of new socialist people who have lofty ideals, morality, knowledge, and discipline. Therefore the construction of socialist spiritual civilization is a tremendous motivating force for pushing ahead reform, as well as a reliable guarantee for resisting the corruption of decadent bourgeois ideas and the revival of decaying feudal ideas and making reform develop smoothly along the direction of socialism.

The construction of socialist spiritual civilization includes both ideological and cultural construction. Reform includes opening up to the outside world and invigorating the domestic economy. Opening up to the outside world refers to not only developing foreign economic ties, importing advanced technology, and studying scientific management, but also ideological and cultural exchanges. The latter enable people to broaden their horizons, to absorb worthwhile things, to be enlightened, and to have something to borrow from and to refer to. Therefore, opening up to the outside world is helpful not only to building the materialist civilization, but also to building the spiritual civilization. Of course, ideological and cultural exchanges will unavoidably bring some decadent and backward things, creating some negative effects. One analogy says: When the windows are open, fresh air comes in, as well as mosquitoes and flies. That means that there are advantages and disadvantages. First, we can see after checking that opening up to the outside world has more advantages than disadvantages. Second, some of our existing negative factors and decadent phenomena have nothing to do with opening up to the outside world. Some of them have existed for a long time, even since ancient times. Third, regarding negative and decadent things, we have full power to resist them, and we can limit their influence to the minimum. The key lies in keeping our heads sober. We should be neither careless nor panic-stricken, and we should not refrain from doing necessary things for fear of a slight risk.

In regard to invigorating the domestic economy, the reform of the economic structure going on at present aims to set up a socialist economic system with Chinese characteristics, full of vigor and vitality, which will promote the development of the productive forces. Such a socialist economic structure full of vigor and vitality is different from the rigid pattern of the past and is basically different from capitalism. Such reform will powerfully push forward the development of the materialist civilization and the construction of socialist spiritual civilization.

The role of reform in pushing forward cultural construction is obvious. For example, because of the development of a commodity economy and the growth in the role of the market, many enterprises have attached attention to technical transformation and improving management and operations, and have begun to attach attention to the development of knowledge and the employment of qualified people.

With the breakup of the malpractice of "eating from the same big pot," the workers and staff members have displayed great enthusiasm in studying technology, science, and culture. Studying has become a trend among young people in particular. The atmosphere of showing respect for knowledge and talented people has strengthened, which promotes the development of science, education, and culture. All this is easy to understand. Then how does reform push ideological construction forward? Building a socialist economic structure with Chinese characteristics full of vigor and vitality is a complicated social practice without precedent in China, and we should not copy books and foreign patterns. A solution is to be found through continuous exploration in practice. This requires theoretical workers to delve deep into the realities of life, sum up experiences, and seek new answers suited to the national conditions of China, thus enriching and developing Marxist theory.

Second, reform is the inevitable road leading to the realization of communist ideals. Only when a good job is done in reform will it be possible to develop the social productive forces, to make our country powerful and our people prosperous, and to bring the advantages of socialism into full play, thus making those people who have communist ideals more resolute and causing more people to adopt communist ideals. Third, reform will ensure in a down-to-earth way the status of the laboring people as masters of the country in all kinds of systems, while closely linking their labor with their own material interests. In this way, their enthusiasm, wisdom, and initiative will be brought into full play. The sluggishness and slackness and the mental state of neglecting the collective and public undertakings which resulted from "eating from the same big pot" in the past will be changed. They will show greater concern for the interests of the state and the enterprise and strengthen the spirit of collectivism, which also means upgrading the standard of morality.

Fourth, reform is a profound change of a revolutionary nature which will inevitably bring about important changes in people's way of thinking, promote people to further emancipate their minds, and change those rigid ideological patterns which have limited people's ideological development, thus making people's minds unprecedently active. In the course of reform, new things emerge one after another, powerfully lashing at those conventional forces satisfied with the status quo, complacent and conservative, afraid of change, and in a rut, as well as at those outmoded concepts and old traditions which are out of step with the development of the productive forces and social progress. They are like spring breezes blowing over the vast land of the motherland, stepping up the germination and growth of the new concepts of value, right and wrong, honor and disgrace, and morality, and the progress of the modernization of people's ideas and concepts. On this course, the scientific Marxist world outlook and way of thinking as the quintessence of the spirit of our times will display its vitality and vigor.

Of course, the construction of socialist spiritual civilization is a tremendous systematic project consisting of many factors. We say reform is the motivating force of spiritual civilization, but this does not mean to say it is the sole motivating force. Regarding the construction of spiritual civilization itself, much work remains to be done. This also does not mean to say that when a good job is done in reform, a good job will naturally be done regarding spiritual civilization. When we talk about the role of promoting spiritual civilization regarding reform, it is obvious in some respects but not quite as readily in others. Therefore, it has not caught people's full attention. With the deepening of reform, such a promotional role will certainly be expressed more and more markedly.

The Cause and Effect Relationship Does Not Exist Between Reform and Unhealthy Tendencies; the Correction of Unhealthy Tendencies Depends on the Smooth Progress of Reform

With the all-round implementation of reform since 1984, some problems have emerged about which everyone is talking. Regarding those problems, we must conduct specific analyses. Generally speaking, these problems fall into the following categories: 1) conduct in violation of the law; 2) phenomena of discipline violations; 3) unhealthy tendencies inside the party and in the society; and 4) deviations and mistakes in reforms. Within these four categories, the degree of their seriousness differs and their natures are different. They should not be regarded as the same, and their solutions should also be different.

In his speech delivered at the national conference of party delegates, Comrade Deng Xiaoping pointed out that we must first concentrate on bringing about a fundamental improvement in party conduct and in general social conduct concerning the construction of spiritual civilization. Based on this requirement, the construction of spiritual civilization should give the correction of unhealthy tendencies inside the party and in the society an important place. This is beyond question and is the urgent demand of the masses. The question now is whether it is necessary to clarify the relationship between unhealthy tendencies and reform. If it is held, as in the case of some comrades, that unhealthy tendencies result from reform, then people will lose their confidence in reform and the momentum of the reform will cool down in order to correct unhealthy tendencies. This is unfavorable to our cause.

Since the all-round implementation of reform in the cities, new unhealthy tendencies have emerged inside the party and the society, such as taking advantage of one's position to enter into commercial activities, speculating and reselling goods for profit, practicing fraud, and seeking money in doing everything. These phenomena have a certain hand-in-hand relationship with reforms. However, not all things with such a relationship are due to cause and effect. Second, regarding their occurrence, unhealthy tendencies have long existed. They are only new forms adopted under the new conditions. Some have taken advantages of reform; others have waved the banner of "reform," passing off sham as genuine. Reform should not be held responsible for this.

As to the real causes for unhealthy tendencies, whether subjective or objective, they should all be found from the remnants of old ideas and old social relations, the old system, and the effects of capitalism. Regarding objective causes, they are chiefly the malpractices while guarding against and eradicating these effects. Because our reform is carried out step by step, some of those malpractices have been corrected, while others have not been in the course of reform. New regulations have been set up, but they are not complete and perfect enough, and remain to be formed in a complete set. Under such circumstances, the malpractices are exposed all the more conspicuously; there are leaks of which unhealthy tendencies take advantage. Therefore, we can see that some unhealthy tendencies are flooding to take advantage of reform but are not caused by reform itself.

In regard to the causes of unhealthy tendencies, those blaming the negative role of the commodity economy are especially conspicuous. It is held that unhealthy tendencies seem to be brought about by the commodity economy. Such a concept has a lengthy history. China has a 2000-year feudal history. The concept of attaching importance to farming and repressing commerce ran through those years and the concept of treating commerce lightly was deep-rooted. Under the influence of "leftist" ideas, the criticism and restriction of commodity production and monetary exchange are well remembered by all. The decision of the 3d Plenary Session of the 12th CPC Central Committee has affirmed that socialist economy is planned commodity economy on the basis of public ownership and has added new contents to the treasurehouse of Marxist theory. But this important concept has not been understood by all people. Some of our comrades are still very worried about the development of socialist commodity production and exchange. When they see the unhealthy tendencies inside the party and in the society, they always link them with commodity economy. Such a mentality of dreading commodity economy derived from the self-sufficient natural economy is precisely the old concept which should be changed in the course of reform.

We might as well explore whether it is the development of commodity economy or the underdevelopment of commodity economy that has brought about unhealthy tendencies. The answer is obviously the latter. In fact, it is precisely the malpractices of the rigid pattern in our economic structure which have curbed the development of productive forces and blocked ease of flow in circulation channels, compelling many commodity producers and managers (including enterprises and individuals) to spend extra money in paving the way for these channels; that is where unhealthy tendencies came in.

Therefore, how can we pin the blame on commodity economy itself? If a good job is done in reform, when relations are eased, commodity economy develops, the circulation channels become unblocked, and exchange becomes normal, will there by any room for these unhealthy tendencies? Taking advantage of one's position to engage in commecial activities is one of the unhealthy tendencies emerging since 1985, and the central authorities have already taken steps to correct it in a big way. However, the harm caused by such an unhealthy tendency does not lie in engaging in commercial activities but in taking advantage of one's position to engage in commercial activities. It is factors outside of the commodity economy which interfere with the normal development of the commodity economy. One of the requirements of the Central Committee on reform is a separation between the functions of the government and enterprises. Taking advantage of one's position to engage in commercial activities means party and government organs or cadres directly running enterprises, doing business and reaping profits in these activities. Is this not precisely counter to reform? Therefore, blaming commodity economy for the rise of unhealthy tendencies does not conform to the actual conditions.

To sum up, in order to correct unhealthy tendencies, we should by no means halt reform. Even less should we beat a retreat. There is no future in doing so. Only by resolutely following the road of reform will our country, our nation, and the magnificent cause of the four modernizations have hope, and only by persisting in reform will it be possible to gradually overcome unhealthy tendencies and to accelerate the development of socialist spiritual civilization.

RESEARCH REPORT OUTLINES REFORM, OWNERSHIP POLICY

HK210806 Shanghai SHIJIE JINGJI DAOBAO in Chinese 6 Jan 86 p 3

[Report: "Research Report 'China in the Year 2000' Portrays the Orientation of Reform of the Economic Structure and the Trends in Ownership Changes"]

[Text] "China in the Year 2000," a research report completed under the direction of the Technological and Economic Research Center of the State Council, has revealed the future orientation of the reform of China's economic structure and the trends in its ownership changes. The report predicts that the major targets of the reform of the economic structure as a whole will be met in 5 years, that is, by 1990. After that, China's economic structure will do the following:

-- The functions of the government will be separated from those of the enterprises. The state will no longer undertake the overall management of enterprises but will exercise macrocontrol over the operations of enterprises through taxation.

-- The socialist state-owned enterprises will become relatively independent commodity producers and dealers. This means that the enterprises will enjoy various powers such as making arrangements for production, supply, and marketing activities; keeping and budgeting funds they are entitled to retain; appointing, dismissing, employing, or selecting work personnel; and setting the prices of their products within the limits permitted by the state.

-- The principle of distribution according to work will be implemented conscientiously. The wages and bonuses of the workers and staff members will be linked more satisfactorily with the economic results of enterprises so as to fully reflect the principle of more pay for more work and the difference between complicated and simple labor and between strenuous and nonstrenuous labor.

-- The reform of the planning structure will be completed. It is estimated that by 1990 or a little later, mandatory planning will be basically nonexistent, except for just a few products in very short supply and vital to the national economy and the people's livelihood, such as energy and power, and for some economic activities with big gaps between enterprise results and social benefits, such as the manufacture of products which may cause serious pollution. The total targets of guidance planning will be transmitted by the State Planning Commission to various departments for overall economic balancing and management and to enterprises as information and as reference for making policy decisions.

-- The price structure will be rationalized. If smooth progress can be made in the price reform, it is estimated that by 1990 or a little later, with the exception of some public utilities charges and energy prices, the prices of most products will have been floated.

-- The role of finance, banking, and other economic levers will be greatly strengthened. Under the new economic structure wherein market mechanism plays an important role, the state should not only give play to the regulatory role of financial, tax, banking, and other functional institutions, but also establish regulatory centers to apply the economic levers in a comprehensive way. Banks will give play to their role as organizers and regulators of the capital market.

-- The system of running enterprises in a democratic way will be perfected. For a fairly long transitional period, the directors or managers of enterprises will still be appointed by administrative bodies at a higher level. It is estimated that in the later stage of the reform of the economic structure, a transition to the election system from the system of integrating opinion polls with appointments by the higher authorities will gradually be made regarding the selection of responsible persons of large enterprises. But the election system will probably be practiced in full in small enterprises.

The report holds that with the full-scale launch of reform of the economic structure, focusing on the urban economy, ownership structure in cities and towns will change in the following direction: First, the basic means of production of large and medium-sized key enterprises will still belong to the state but they will also contain a certain factor of ownership by the collectives and individual workers. Of the 1 million state-owned enterprises in our country, only 5,000-6,000 enterprises belong to this category. Second, it is estimated that by the end of this century, the overwhelming majority of small state-owned industrial and commercial enterprises will be owned by the state but run by the workers and staff members either collectively or individually. Third, a number of enterprises unsuitable to be owned by the "big collectives" or the "whole people in a narrow sense" should preserve their characteristics of collective ownership. These collective enterprises will develop tremendously in cities and towns.

The report says that there are as of yet no explicit stipulations on which policies we should adopt toward the country's national capital. It is necessary to study and explore in theoretical terms this question related to ownership structure.

EFFECTS OF COMMODITY PRICING, INCOME VIEWED

HK220925 Beijing Domestic Television Service in Mandarin 1258 GMT 3 Jan 86

[Interview with Xue Muqiao in Hangzhou "recently" on "TV Forum" program by unidentified reporter: "Noted Economist Xue Muqiao Answers Our Reporter's Questions Concerning Commodity Prices"]

[Text] [Begin recording] [Reporter] Revered Comrade Xue, the question of commodity prices affects every household. It is a matter of concern for all people. Over the past few years, prices in our country have risen markedly. Therefore, people worry about the rise in prices and wonder whether it will affect people's living standards. What is your view on this matter?

[Xue Muqiao] In my opinion, since 1979, commodity prices have really risen. However, due to the fact that people's incomes have risen by a bigger margin as compared with the rise in prices...

[Reporter interposes] Comrade Xue Muqiao said: In my opinion, since 1979, commodity prices have really risen. However, due to the fact that people's incomes have risen by a bigger margin as compared with the rise in prices, the people's living standards have really been improved. In order to enable our people to live a stable life, we hope to keep prices stable. However, price stability does not mean a price freeze. Our pricing policy must not concentrate on seeking price stability alone. The more important thing is to promote the development of production. In order to promote the development of production, prices of various kinds of commodities were slightly raised. If prices were not raised, the development of production could not be promoted and there was no way to satisfy [words indistinct]. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has gradually readjusted commodity prices for the sake of regulating economic relations and speeding up the construction pace of our national economy, and particularly for the sake of quickening the pace of the development of agricultural production. Over the past few years, the prices for agricultural products have been raised by a large margin, thus spurring faster growth in agricultural production. People in both the urban and rural areas are pleased with the rapid development of agricultural production. As regards higher purchasing prices for agricultural products, there are two different kinds of reactions: Peasants are very happy about the higher prices while the great majority of city residents are against the higher prices. This is because peasants are producers of agricultural products and city residents are consumers of such products. In regard to the question of prices, the interests of producers and the interests of consumers always become conflicting interests. In 1979, in order to realize rapid development of agricultural production, prices for agricultural products were raised to a greater extent. While the purchasing price for food grain was raised, the selling price remained unchanged. To offset the price increases of eight major types of nonstaple foods, 5 yuan were added to the wages of every worker and staff. From 1979 to 1980, production output of food grain, cotton, and all kinds of nonstaple foods increased rapidly; the supply of pork, chicken and eggs exceeded demand, and restrictions on the supply were lifted. With the increase in peasants' incomes and in agricultural production, there was an improvement in peasants' living standards, and with the ample supply of nonstaple foods, there was a marked improvement in city residents' living standards. With the increased supply of such nonstaple foods as meat, fishes, poultry and eggs, people are no longer satisfied with a sufficiency in food, and are beginning to seek improvement in the quality of the food they eat. Of course, the 5-yuan subsidy for price increases was calculated to enable recipients to maintain their original standards of living. Owing to such recipients' increased consumption of nonstaple foods, and owing to an improvement in the quality of the food they eat, their increased food spending exceeded 5 yuan. Therefore, many people are still dissatisfied with the rise in nonstaple food prices. We should not lose sight of the fact that over the past few years, there have been rapid increases in wages, including bonuses.

Wage growth is far higher than that of commodity prices. As a result, people's living standards have markedly improved. They eat better food and wear better clothing. There has also been a rapid growth in the purchase of high-grade consumer durable goods such as color TV sets. At the same time the total volume of bank savings deposits by both urban and rural people has increased to a great extent by a large margin annually. The living standards of our people have evidently been raised in the course of price readjustment. The following statistics throw a lot of light on the matter. In the 6 years from 1978 to 1984, the general market retail price index increased by 17.7 percent. Among these, food achieved the highest increase. The retail index of food prices rose by 26.9 percent during the period 1978-84.

This figure only includes state-operated market quotations. However, during the period 1978-84, purchasing prices for farm and sideline products rose by 53.6 percent. Owing to the fact that purchasing prices for grain and edible oil were raised and their selling prices were not, the growth in the purchasing prices is higher than the growth in the selling prices. The losses incurred in the imbalance of purchasing prices and selling prices are subsidized by the state. In the 6 years from 1978 to 1984, the per capita consumption level of urban and rural people rose by 86.9 percent. Allowing for the factor of price increases, the real consumption level rose by 57.7 percent. During the period 1978-84, per capita income of peasants rose by 165 percent. Allowing for the price increase factor, the real per capita income of peasants rose by 144 percent. From 1978 to 1984, the average wage of workers and staff increased by 58.6 percent. Allowing for the price increase factor, the real average wages of workers and staff increased by 32.3 percent. The following are figures about the per capita material consumption level of urban and rural residents in the period 1978-84: Grain rose from 391 jin in 1978 to 503 jin in 1984, an increase of 28.6 percent; edible vegetable oil from 3.2 jin to 9.4 jin, an increase of nearly 200 percent; and pork from 15.3 jin to 26 jin, an increase of 70 percent. In the period 1978-84, the peasants' consumption of edible vegetable oil and particularly their consumption of grain increased at a faster rate than those of workers and staff. There are more figures about per capita material consumption level of urban and rural people during the period 1978-84: cloths and fabrics of all kinds that are used for making clothes rose from 24.1 chi in 1979 to 32.5 chi in 1984, an increase of 35 percent; and money spent on articles of everyday use rose from 28.8 yuan to 67 yuan, an increase of 132.6 percent. Let me give more concrete illustrations: the number of bicycles owned by each 100 people rose from 7.7 bicycles to 18.8 bicycles, an increase of 144 percent; the number of TV sets owned by each 100 people rose from 0.4 to 4.6, an increase of a little over 15 times; and the number of radios owned by each 100 people rose from 7.8 to 21.6, an increase of 177 percent. The above statistics comprise both urban and rural statistical figures. In our cities, almost every worker and staff owns a bicycle; more than 90 percent of worker-staff households own TV sets and are beginning to replace their black-and-white TV's with color sets; almost every household owns one to two radios; and many households own cassette tape-recorders, refrigerators, washing machines, and so on. Is it conceivable that these facts cannot prove that the people's living standards have really been enhanced?

[Reporter] Revered Comrade Xue, I think that you should discuss the question of the people's living standards.

[Xue Muqiao] As regards the people's living standards, overall...

[Reporter interposes] Comrade Xue Muqiao said: As regards the people's overall living standards, they have been continuously enhanced, especially over the past few years. However, the living standards of our people have improved in varying degrees. Some people's living standards have been enhanced by a bigger margin due to a large increase in their wages; and some people's living standards have been enhanced by a smaller margin due to a smaller increase in their wages. The living standard of a very small number of people may have dropped.

For example, when commodity prices were raised, pensions for retired workers and staff remained unchanged. As a result, their living standards may have dropped. The state recently paid attention to his problem and issued cost-of-living allowances for pensions. The living standards of those households with a large number of employed people and a small number of dependents can be enhanced at a faster rate. The living standards of those households with a small number of employed people and a large number of dependents can only be enhanced at a slow rate, and they do have difficulties.

[Reporter] Is it true that the extent of improvement in rural living standard is relatively greater?

[Xue Muqiao] It is true. We...

[Reporter interposes] Comrade Xue Muqiao added: Since the 3rd Plenary Session of the 11th CPC Central Committee, we have first improved the peasants' living standards within 6 to 7 years. We have basically solved the problem of food and clothing for 800 million peasants. There is still a small number of rural people who cannot reach the level of having sufficient food and clothing. It is only a very very small number of people.

The great majority of our rural people have surpassed the level of having sufficient food and clothing. In addition to having sufficient food, they want to eat better and wear better clothing. The living standards of urban residents, workers, and staff have also been enhanced. Their living standards have been enhanced by a smaller margin as compared with the improvement in the peasants' living standards. Overall, the living standards of workers and staff are a little bit higher than the peasants'. It is not true to say that the peasants' living standards are generally higher than the living standards of workers and staff. In the past, our enterprises repeatedly raised wages and bonuses. Besides the 800 million peasants, the living standards of our 80 million workers and staff have been enhanced at a relatively fast rate. Due to the fact that bonuses issued by organs and schools are very small and that some organs and schools simply do not issue bonuses, living standards there have been enhanced by a relatively small margin. After the wage readjustment in 1985, the salaries for many people at organs and schools increased by a fairly big margin. Their living standards and the living standards of workers and staff are basically equal. We first solved the biggest problem of feeding and clothing 800 million peasants. We then solved the problem of enhancing the living standards of 80 million workers and staff. Finally, it will be relatively easy to solve the problem concerning our 20 million organ cadres and teachers.

[Reporter] At present, some people deeply cherish the memory of price stability in the sixties. They therefore wonder whether the price and wage levels in the sixties can be restored. In other words, they are saying: I would rather have no pay raise than have price hikes. Do you think that it is impossible to have such circumstances?

[Xue Muqiao] I have also received readers' letters with these kind of questions. If the wage and price levels in the sixties are restored, it will be..

[Reporter interposes] Comrade Xue Muqiao said: I have also received readers' letters with these kind of questions. If the wage and price levels in the sixties are restored, it will be necessary to restore the living standards of the sixties. If the prices of agricultural products in the sixties are restored, the peasants' incomes will be greatly reduced and their enthusiasm for production will also be greatly reduced. Under these circumstances, the wages of urban workers and staff will be reduced, the supply of nonstaple foods for them will be greatly reduced, and the pork quota system of each person being limited to half a jin of pork per month will be restored too.

In those years, only the big cities, namely, Beijing and Shanghai, could allocate and transfer pork from other parts of the country to implement their pork quota system of each person being limited to 1 jin of pork per month. In those days, it was almost impossible to buy fresh fish in the market and only a few (salted) fish were available. At that time, cotton cloth and edible oil and even soap and matches were regarded as fixed-quantity supplies; city residents could only achieve, at the very most, a sufficiency in food and clothing; peasants were burdened with purchase quotas and had great difficulty in achieving a sufficiency in food and clothing; and many peasants did not have enough food to eat nor did they have enough winter clothing.

At present, in addition to wanting a sufficiency in food and clothing, our urban and rural people also pay attention to the nutritive value of the food they eat and want to wear better clothing. I think that the great majority of our urban and rural people do not like the restoration of the living standards of the sixties. From 1979 to 1983, the supply of nonstaple foods became increasingly plentiful while consumer demands grew more quickly. Starting in 1984, the supply gradually fell short of demand. Therefore, in 1985 our country enacted a reform in the system of administering nonstaple food prices and relaxed price controls, thus bringing about relatively more price rises. In order to prevent the living standards of urban residents from falling after the emergence of nonstaple food price hikes, the state issued subsidies for price increases. This reform has enabled 800 million peasants to achieve increases in income through the increase in purchasing prices. They are full of joy and are currently making great efforts to increase production. A considerable number of people among our 200 million urban residents are very disgusted with price increases. They say that due to price increases, the people's living standards have fallen. The supply of nonstaple foods in 1985 has surpassed any previous year's supply, thus bringing about brisk buying and selling. The people's living standards have obviously not fallen but have continued to rise. A person said in his letter to me, when you were the chairman of the commodity prices committee in the early sixties, you were capable of keeping planned prices stable and reducing prices for country fair trade. Why is it that you are now advocating the abandonment of planned prices and the replacement of market quotations by market prices?

The early sixties comprised the difficult 3-year period and came after the 3-year Great Leap Forward. During the difficult period, although prices of planned commodities were stable, there were market price hikes: 1 jin of pork cost 5 yuan, an egg cost 50 fen, and 1 jin of grain cost 1 yuan. At that time, in order to keep prices stable, the state decided that each person was limited to 2 liang of pork per month. As regards cotton cloth, each urban resident was limited to 6 chi per year while each rural resident was limited to 3 chi per year. In those days, we also wanted to raise the price of meat so as to enable urban residents to eat more meat. However, our peasants then did not have enough grain rations for themselves. So, where could they find feed for raising more pigs? Things are different now. Our peasant households have grain to spare and the state can also allocate tens of billions of jin of grain to encourage peasants to promote pig-raising and chicken-raising. Prices may be raised a little in order to increase the supply of such nonstaple foods as meats, fish, poultry, and eggs, and to bring about a marked improvement in the living standards of urban and rural people. The current increases in nonstaple food prices and subsidies for price increases are based on previous consumption levels. The subsidies can fully offset the increases in nonstaple food prices.

However, with the rise in living standards, people eat more nonstaple foods: food quality is better too. Therefore, their expenses have increased. However, with a bigger increase in wages and bonuses, although people's expenses have increased, they still have surplus money to deposit in banks. Our urban and rural residents' savings deposits reached 30.9 billion yuan in 1978 and rose to 114.9 billion yuan in 1984, thus achieving an increase of 200 to 300 percent.

The total volume of bank savings deposits by them in 1984 alone increased by 18.5 billion yuan; there was an even bigger increase in 1985. How can you complain of hardship or suffering when your living standard has been enhanced and when you have surplus money in hand? Some comrades say that the statistics are not correct. They use the price of live fish as an example. They say: The price of live fish has risen to 3 yuan a jin, an increase of 100 percent as compared with the past. Please try to think back. Live fish could hardly by found in markets in 1978. Even during the previous 2 years, it was still quite difficult to buy any live fish in markets. Now, live fish are available every day. Price controls were relaxed earlier in the Guangzhou City market. In 1983, live fish there rose to more than 3 yuan per jin. In 1984, when market supplies in Guangzhou became ample, the price of live fish dropped to less than 3 yuan per jin. The 1984 price of live fish remained unchanged in 1985 in Guangzhou. Some other comrades say that the price of lean pork has risen to more than 2 yuan per jin.

I would like to ask these comrades to think back. In the sixties, people's bellies had very little fat, they therefore vied with one another in buying fat meat. Now, people's bellies have plenty of fat. People who enjoy high living standards do not want fat meat and only want lean meat. As a result, lean meat is expensive, and fat meat is cheap. Does this not show that people's living standards have been markedly enhanced? I have said several times that, fundamentally speaking, the improvement in people's living standards depends not on price stability but on the rate of production development. In the past, many comrades looked upon fixed-quantity supplies, fixed-quota purchases, and price stability as party of the superiority of socialism, saying that people should cherish the memory of the sixties. This is a misunderstanding. Adopting guiding principles on the basis of this kind of misunderstanding means that there will be no increase in the supply of nonstaple foods and that it will be impossible to enhance people's living standards. If we only look after the interests of consumers and do not look after the interests of producers, production cannot be developed; the needs of consumers cannot be satisfied, and people's living standards will remain at the original levels forever.

From the late fifties to the early seventies, we were in such circumstances all along. Starting from 1979, the change in policies has enabled the supply of commodities, and particulary the supply of foods, to increase by a very big margin, thus markedly enhancing people's living standards. Let us contrast the earlier period with the later period and find out exactly which period is good. Is it the earlier period or the later period? The prices of commodities, and mainly the prices of nonstaple foods, have really risen, and people's living standards have really been improved too. This is a correct appraisal which truly reflects the actual situation. Many comrades just demand improvement in their living standards and resolutely oppose the readjustment of commodity prices and particularly oppose the rise in nonstaple food prices. They fail to see that if the nonstaple food prices were not raised, production could not be promoted and the supply of food for people could not be improved.

[Reporter] Then, when production is developed in future, will it be possible that the prices of some commodities may drop? Could you discuss this question?

[Xue Muqiao] In developing production...[Reporter interposes]

[Reporter interposes] Comrade Xue Muqiao said: In developing production, the production cost of some commodities rises and the cost of some others falls. Therefore, prices require constant readjustment. Under normal circumstances, some prices rise and some fall; the fall offsets the rise, and prices basically tend to stabilize. Agricultural products are subject to the restrictions imposed on them by natural conditions. With the increase in agricultural output, production costs rise. In particular, as regards the supply of meat, chicken, and fish, the meat, chicken, and fish supplied by household sideline production units are not sufficient for people's needs.

However, running chicken farms and fish ponds means that we have to use grain to feed chickens and fish. This increases production costs. Among ordinary commodities, some light industrial products are made of agricultural products. Due to the rise in prices of agricultural products, it will not be easy to lower the production cost of such light industrial products.

Let us take cotton cloth as an example. Although there have been quite a few increases in the purchasing price of cotton, the selling price of cotton cloth remained unchanged for 30 years. Originally, cotton cloth was very profitable. Later, it became unprofitable and the state lost money on it. However, the case of chemical fabrics is just the opposite. Chemical fabrics are made of industrial chemicals. The more we produce, the lower our production cost. Therefore, the production cost of chemical fabrics has been continuously falling. Of course, the price should have been continuously reduced. However, in the past, the state depended on the money made from chemical fabrics to make up losses incurred in cotton cloth. Therefore, we dared not raise the price of cotton cloth and dared not reduce the price of chemical fabrics. As a result, the supply of cotton cloth fell short of demand, the system of fixed-quota purchases and fixed-quantity supplies was implemented, and a great quantity of unsalable chemical fabrics was overstocked. Consequently, the production output of chemical fabrics was reduced. In 1983, we were determined to raise the price of cotton cloth a little and to greatly reduce the price of chemical fabrics. As a result, people used less cotton cloth and used more chemical fabrics; restrictions on the supply of cotton cloth were lifted, the sales volume of chemical fabrics greatly increased, and a free hand was given in the development of production. This matter clearly shows that our price readjustment not only can develop production but can also improve people's living standards. The price of one commodity rises and the price of another commodity falls. The fall offsets the rise. Overall, the prices have not risen. To people who have used more chemical fabrics, their own expenses have actually been reduced a little. The prices of those articles of daily use which are made of industrial raw materials may go down. The prices of wristwatches and radios have gone down markedly. Generally speaking, the price of food has risen, the price of clothes has been stable, and the price of the great majority of articles for use [yong pin] has gone down.

[Reporter] What is your estimate of the trend of changes in market prices in our country in 1986?

[Xue Muqiao] I think that in 1986, the supply of nonstaple foods will continue to increase. I estimate prices may no longer be raised again. There will also be an ample supply of other commodities. Prices can be kept stable. I estimate prices can be kept basically stable as long as there are no indiscriminate wage increases or unwarranted issuing of bonuses.

[Reporter] Good. Thank you. [End recording]

LEADERS PAY NEW YEAR VISITS TO VARIOUS AREAS

HK230641 Beijing LIAOWANG in Chinese No 2, 13 Jan 86 p 5

[Article by Song Fang and Da Wei: "The Song of Early Spring in Zhongnanhai"]

[Text] On the eve of the 1986 New Year and the first day of the new year, Zhongnanhai in Beijing was unusually quiet. There were no grand receptions or get-togethers..... But from there came the tidings of spring. Quiet Zhongnanhai broadcast a song of early spring that spread to every part of China.

At a time when the new year was being ushered in and people were saying good-bye to the old year, par and state leaders including Hu Yaobang, Zhao Xiyang, Li Xiannian, Peng Zhen, Hu Qili, Li Peng, Hao Jianxiu, and other comrades went separately to various parts of the motherland, spending the new year joyously with workers, peasants, troops, students, intellectuals, cadres at various levels and working personnel fighting on various fronts of modernization.

On the Xisha Islands at the southern end of the motherland, Comrade Hu Yaobang, general secretary of the CPC Central Committee, spent New Years Day with the cadres and troops of PLA units on guard here. At noon the same day, on a remote islet, Comrade Yaobang and some troops sat around a table at the mess hall having lunch together. Here the solemn atmosphere of an inspection by a commander was absent. Like an elder, Comrade Yaobang made small talk with the troops, joking and laughing. Everywhere he went there was banter. Comrade Yaobang said that in the new year, the main task of the Chinese people is to act as one in the construction effort toward socialist modernization. Meanwhile, they should shoulder the sacred task of safeguarding world peace.

Comrade Hu Yaobang was carrying a box of earth from Zhongnanhai, which he deposited on the roots of a newly planted coconut palm on Yongxing Island in Xisha.

On the morning of New Year's Day, Premier Zhao Ziyang arrived at Yangdianzi in Hebei Province to extend new year greetings to the workers of the ore dressing plant of the Capital Iron and Steel Corporation Mining Company. That afternoon, he went to the Tanghsan City Paraplegic Sanatorium to visit crippled people who were victims of the disastrous earthquake in 1976. Before this, Premier Zhao Yiyang made investigations and studies in Tanshan prefecture. In the three counties of Zunhua, Quianxi and Qianan, he emphasized acquainting himself with conditions for restructuring agriculture and the mass effort in mining. He visited peasant families and also looked at the ore dressing plant and the mine face. He noted that the eastern area of Hebei is rich in iron deposits and that there is a great future for the masses in mining. It is a good method which calls for "mass mining, procurement at fixed points, concentration on ore dressing and state involvement in smelting."

State President Li Xiannian and NPC Standing Committee Chairman Peng Zhen separately spent the new year with the masses in Nanjing and Wuxi. On the afternoon of 31 December 1985, Li Xiannian called together with more than 2,000 cadres and people at the Hall of the People in Nanjing and expressed the hope that in the new year everyone would continue their efforts to score still greater achievements. That afternoon NPC Standing Committee Chairman Peng Zhen joined more than 1,000 cadres and people in Wuxi City who attended local new year celebration activities.

On New Year's Eve, Vice Premier Wan Li visited Beijing Normal College to celebrate the festival with teachers and students. Wan Li also saw representatives of the teachers and discussed big plans for the development of teacher education with them. He extended new year greetings to normal college teachers working assiduously in their posts. He said: Normal colleges must in future recruit the best students and turn out the best teachers through the best training. Prior to this, the 1984 class of the Chemistry Department of the Beijing Normal College received a letter from Premier Zhao. In his letter, Premier Zhao warmly extended new year greetings to these future teachers of the people.

Hu Qili and Li Peng, members of the Political Bureau of the CPC Central Committee and of the Secretariat separately went to the Capital Iron and Steel Corporation and the Beijing Oil Pump and Oil Nozzle Factory, to extend new year greetings to workers, technical personnel and cadres who maintained the first line of production during the festival and encourage them to persist in reform, to continue giving full play to the role of workers as a main force, and to score still greater achievements in the new year.

Early on new year's morning, Hao Jianxiu, member of the Secretariat of the CPC Central Committee, who was on a work inspection trip in Shanghai, went with some comrades of the Shanghai Municipal CPC Committee to see well-known model workers Yang Huaiyuan and Zheng Yaqin, noted patriotic democrats, and national red-banner pacesetter Rong Shuren and extend new year greetings to them. She expressed the fervent hope that fine public bus conductress Zheng Yaqin would appreciate the glorious title she had earned and strive to perform new deeds of merit.

At this point, people can easily see why Zhongnanhai was quiet around the New Year. Unlike the usual quiet, this embodies confidence and accumulated strength and is pregnant with hope. This is a good beginning for 1986. Central leading comrades have once again set an example for us. This will surely encourage the whole party to further improve its work style, delve deep into the midst of lower levels, keep in close touch with the masses, and lead the people of the whole country in plunging into the great cause of construction related to the Seventh 5-Year Plan.

INDIRECT, DIRECT CONTROL OF ECONOMY ASSESSED

HK210831 Beijing GUANGMING RIBAO in Chinese 11 Jan 86 p 3

[Article by Shen Liren: "A Brief Talk on the Characteristics of Indirect Control"]

[Text] During the period of the Seventh 5-Year Plan, our economic reform calls for combining the further strengthening enterprise vitality with the strengthening of macrocontrol, and for a gradual shift in emphasis from direct to indirect control, while establishing and perfecting a system of indirect control. This is a major breakthrough as far as the traditional economic system is concerned. It also provides us with features of our own.

Direct control and indirect control are two entirely different methods of economic control. They concern the principles and methods of operation of the whole national economy and run through various economic aspects such as decision-making, motive power, organization, regulation, and so forth. Compared with direct control, indirect control has the following features:

As far as the relations between the state and an enterprise are concerned, indirect control allows the separation of government and enterprise functions and an appropriate separation of power. The power to decide on microeconomic activities is returned to enterprises, so that they may decide on matters of production, operation, transformation and development in line with market conditions and their own conditions.

Where macrocontrol is concerned, indirect control calls for introducing comprehensive guiding plans, with policy, not targets, in control. Through guiding plans, the formation of a macroeconomic environment is aimed at guiding enterprise production, operation and investment.

Regarding the targets of macrocontrol, the main target of indirect control is the behavior of commodities and money in the form of value. Through it, the proportional relations of social reproduction are regulated to achieve a balance in overall social demand and supply and in relevant structure. As to the methods of macrocontrol, indirect control calls chiefly for reliance on economic means and using the law of value and economic levers, including pricing, finance, credit, tax rates, interest rates, exchange rates, and so forth, to shape various economic parameters or signals of regulation in guiding the conduct of enterprises.

As far as the scope of macrocontrol is concerned, indirect control is oriented toward the whole national economy and a control over total turnover and structure.

With regard to the organization of macrocontrol, indirect control is a combination of higher and lower levels and allows a regulating network at various levels. Through the medium of various departments and organizations, relations at higher and lower levels form a whole operating in an open way, with a gradual balance achieved in an organized manner. Concerning the procedure in exercising macrocontrol, indirect control is a two-way control of developments, making it possible to obtain an objective understanding of relevant conditions and readjust policy in practice.

Regarding the effectiveness of macrocontrol over a given period of time, indirect control allows for not having to specify the production and operating activities of individual enterprises, for making strategic choices with foresight, and for concentrating on studying future major problems.

From some features of indirect control we can clearly see that a shift in focus from direct to indirect control is not a partial reform and is a conversion of the pattern of the economic system. This is a main thread running through various aspects of reform. Reform calls for strengthening enterprise vitality and naturally perfecting the market system. This must take place at the same time as the perfection of the indirect control of system. It calls for the strengthening of macrocontrol, which can be achieved only after a shift in focus from direct to indirect control. Of course, an emphasis on direct control does not mean doing away with all means of direct control, including preserving a limited number of guiding plans, necessary supplementary administrative means, and so forth. In the process of converting the pattern of an economic system in a given period of time, two ways of control inevitably coexist. But the important question is how to reduce the scope and degree of direct control on the one hand, and strengthen the capacity for indirect control on the other, allowing a linkup between the two.

DENG LIQUN COMMENDS LATE POLITICAL CADRE'S DEEDS

OW270525 Beijing Domestic Service in Mandarin 1200 GMT 23 Jan 86

[Excerpts] Taking pride in being a competent political cadre and deeming it his personal duty to probe into the law governing poltiical work for the new period, Xiong Yuanqi, former chief of the propaganda section of the instrument and meter plant under the Jianghan Petroleum Administration Bureau, earnestly practiced what he advocated, and dedicated his life and energy to creating a proper image for contemporary basic-level political cadres, according to HUBEI RIBAO. Comrade Xiong Yanqi died of cancer in July 1985, thus ending his political work, in which he always took a sharp interest.

Comrade Deng Liqun, member of the CPC Central Committee Secretariat, spoke highly of Xiong Yuanqi as an example of loyalty for the ranks of ideological and political workers.

JIANGXI OFFICIAL DISCIPLINED FOR ACCEPTING BRIBES

OW260413 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 23 Jan 86

[Excerpt] Zhu Liangfu, member of the party group and deputy director of the Jiangxi Provincial Department of Agriculture, Animal Husbandry and Fishery, and director of the Jiangxi Provincial Bureau of Town and Township Enterprises, was investigated and disciplined for abusing powers, accepting bribes, illegally remitting foreign exchange for a profit, embezzling state and collective property, and seriously violating the party's regulations and discipline. The Jiangxi Provincial CPC Committee recently decided to relieve him of the posts he held within the party, and the Jiangxi Provincial People's Government decided to remove him from the post of deputy director of the Jiangxi Provincial Department of Agriculture, Animal Husbandry and Fishery, and from the post of director of the Jiangxi Provincial Bureau of Town and Township Enterprises.

JIANGXI'S WAN SHAOFEN ATTENDS MEMORIAL SERVICE

OW231311 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 20 Jan 86

[Excerpts] On 11 January Comrade (Yu Lin) died of cerebral hemorrhage, despite all medical treatment. He was 68. He was a celebrated writer, a member of the China Federation of Literary and Art Circles, a member of the Board of Directors of the Chinese Writers Association, a member of the Standing Committee of the Jiangxi Provincial CPPCC Committee, chairman of the provincial Federation of Literary and Art Circles and secretary of the leading party group of this federation, and chairman of the Jiangxi branch of the Chinese Writers Association.

A memorial service for Comrade (Yu Lin) was held this morning in Nanchang. Over 500 people attended the service, including provincial party and government leaders Wan Shofen, Liu Fangren, Xu Qin, (Lu Xiuzhen), (Wang Taihua), Zhao Zengyi, Wang Shufeng, Di Sheng, Wang Zemin, Peng Shengxi, Liu Jianhua, and Lu Liang; veteran Comrades Ma Jikong and Fu Yutian; responsible comrades of various departments of the provincial CPC committees and of various departments and bureaus of the provincial government; as well as friends of Comrade (Yu Lin).

At today's memorial service, (Wang Taihua), member of the Standing Committee of the provincial CPC Committee, and head of the Propaganda Department, said: Comrade (Yu Lin) engaged in revolution for more than 40 years and dedicated his life to literature and art. He contributed to training new literary and art workers, promoting literary and art creation, and organizing and uniting the literary and art working contingent. He was upright, honest, open, and aboveboard, and applied himself to uniting comrades throughout his life. Even in adverse circumstances, he was full of revolutionary optimism. His loyalty to and firm faith in the party and the socialist cause are worthy of our emulation.

ARTICLE VIEWS SHANGHAI'S PROBLEMS IN OPENING UP

HK210801 Shanghai SHIJIE JINGJI DAOBAO in Chinese 6 Jan 86 p 13

[Article by Yan Kuangguo: "Shanghai's Several Problems in the Course of Opening Up to the Outside World"]

[Text] Since the central authorities approved the opening up of 14 coastal cities to the outside world in 1984, Shanghai has made relatively great progress in using foreign funds, importing technology, developing import and export trade, conducting various kinds of economic and technological cooperation with foreign countries, and in other aspects. However, in the course of opening up to the outside world, some new problems have also emerged.

Some of these problems are caused by differences in the national conditions of China and foreign countries, and others are caused by the unsatisfactory investment environment on our side. Now I would like to probe these problems as follows:

1. Both the Chinese and foreign sides are worried about change. Since they are not very clear about our country's policy of opening up to the outside world, some foreign businessmen fear that our major policies may change when the chief leaders of our country pass away. Based on past positive and negative experience, they have said: "The reason Singapore has attracted investments is not just because of its favorable geographical position and satisfactory basic facilities, but chiefly because of its stable political situation." In the past few years, there has been a relatively rapid development in the construction of buildings through Sino-foreign cooperation. An important reason for this is that foreign businessmen can get an earlier return on their investment and reduce their risks in investing.

For lack of a clear understanding of the theory and policy of opening up to the outside world, some comrades with good intentions worry that they may suffer losses or get into trouble if they have contact with foreigners. However, their greatest worry is caused by some unhealthy phenomena emerging in one or two localities where managerial work has not caught up with the situation. Therefore, they worry that some undesirable things will be introduced and society will be contaminated. In short, they are also afraid of change. These comrades with good intentions have not taken an unshakable attitude toward the policy of opening to the outside world and do not see the positive and essential side of the policy.

2. Both the Chinese and foreign sides have their eyes on the opposite side's market. The foreign side has settled on our country's vast market with a population of 1 billion people and spares no effort in trying to get a place in it so that its commodities, capital, and technology have an outlet. However, it often pursues a protectionist trade policy toward our products. In running joint ventures, it tries its best to avoid or reduce its responsibility for exporting the products produced.

On the other hand, in conducting economic and trade activities with foreign countries, we usually adhere to the principle of maintaining a balance in international payments. We not only try to avoid an adverse balance in foreign trade but also encourage joint-ventures to promote sales of their products in the international market to earn more foreign exchange. We only allow in our domestic market those products and advanced technology which are badly needed by our country and which must be imported.

3. The Chinese and foreign sides have different demands on legal regulations. In view of the situation in foreign countries and the requirements of international economic activities, many foreign businessmen hope that our country's laws can be perfected, our legal stipulations can be made specific, and relevant regulations can be made known to foreigners so that both law enforcers and observers can act according to the law.

With the efforts of the past few years, our country has legislated several dozen economic statues involving foreign countries, but more efforts are needed to make them complete. As far as the promulgated laws, decrees, regulations, and detailed rules are concerned, some stipulations are relatively general and will easily lead to different explanations, some stipulations vary with different localities, projects, ways of investment, and other factors, making them difficult for people to enforce and for foreign businessmen to understand, and others are to be exercised at the discretion of the Chinese side but to be observed by foreigners and consequently, they are unfathomable. Moreover, we were used to acting according to documents and speeches of leaders and we attached importance to policies and not to laws.

This will easily give foreigners the impression that even if there are laws, it is difficult to act according to them.

4. The Chinese and foreign sides have differences in some ways for handling international economic problems. Although some customs, practices, and precedents of international economic and trade activites are not legislated, they are recognized and observed by many countries. However, some of our comrades often ignore international practices, over-stress the principle of taking ourselves as the dominant factor, and try to be smart. As a result, they fail on the verge of success. For example, in discussing the problem of balancing international payments, these comrades will insist that the foreign side has to unilaterally and unconditionally write down, as the first and foremost thing, in a contract the words "responsible for ensuring a balance in international payments." This practice will inevitably affect the import of foreign technology and foreign capital.

5. In implementing policies and adopting measures, we are sometimes too rigid and sometimes too flexible and sometimes many leading departments give instructions at the same time. For example, people were encouraged to use as much foreign exchanges as possible for importing technology at the end of the year before last, but at present, ordinary permits for foreign trade have basically been suspended and consequently, over 70 percent of Chinese-foreign joint venture projects have been postponed or cancelled because of not being able to achieve a foreign exchange balance or even because the Chinese side does not have the portion of investment in renminbi. Another example is guarantees provided by the banks concerned for housing projects to be carried out with the cooperation of foreigners. These guarantees are sometime given to anyone who requests them without exception but sometimes they are given to no one at all.

6. Enterprises involving foreign capital are supervised only in the beginning. Before a project is finalized, all negotiations, approvals, and other things are supervised by relevant foreign trade departments. Once the project is concluded and put into operation, no leading department will help solve problems. Moreover, there are various kinds of external controls and interference. These enterprises do not have sufficient support and are faced with various difficulties and obstacles. For example, the supply of raw materials is not guaranteed. They sometimes have difficulties even in buying materials which are abundant in China. They also have difficulties in getting parts and components they need in China and therefore, they have to import them, thus affecting the balance of foreign exchange.

7. Urban basic facilities and services cannot meet the needs of opening up to the outside world. This problem is particularly serious in Shanghai. The power supply is insufficient, drainage is blocked, roads are jammed with traffic, telecommunications service is poor, loading and unloading of goods at the port are slow, and the housing problem is serious. This is known to all and greatly hampers the progress of opening up to the outside world.

GUANGDONG PARTY PLENARY SESSION CONCLUDES 23 JAN

HK230525 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 23 Jan 86

[Excerpts] The 4-day Fourth Plenary Session of the Fifth Guangdong Provincial CPC Committee concluded this morning. The work of readjusting some of the members of the provincial CPC Committee and the Advisory and Discipline Inspection Commissions has been completed, further embodying the principle of the new taking from the old in these organizations. Eleven members and alternate members of the provincial CPC Committee including Ren Zhongyi and Liang Lingguang, 24 members of the provincial Advisory Commission including Kou Qingyan and Chen Yueping, and 10 members of the provincial Discipline Inspection Commission including Wang Ning and Cheng Li requested to serve no longer as members of these bodies on grounds of old age, ill health, or else to reduce the number of overlapping posts. After discussion and agreement by the Standing Committee of the provincial CPC Committee, these requests were submitted to the session this morning for examination and approval.

The session also elected by secret ballot some new members of these three bodies. The election is to be endorsed by the next conference of party delegates.

The following is the list of old comrades requesting to serve no longer as members or alternate members of the provincial CPC Committee: Ren Zhongyi, Liang Lingguang, Li Jianan, Du Ruizhi, Ding Xiling, Ma Fang, Bai Xiucheng, Liu Zhaolun, Li Fulin, Yang Guoqing, and Zhang Bi.

The following are requesting to serve no longer as members of the provincial Advisory Commission: Kou Qingyan, Chen Yueping, Xiao Huanhui, Yang Kanghua, Ma Lun, Li Xueguang, Zhang Boquan, Lin Keze, (Zhang Xingyan), (Xu Linhan), Wei Nanjin, (Wang Bixing), Fang Hua, (Yan Shangmin), (Bi Di), (Wu Muqi), (He Ming), (He Shiyong), Lin Shulan, Zhou Ming, (Huang Mingde), (Han Tuofu), (Wen Zhouhua), and Liao Wei.

The following are requesting to serve no longer as members of the provincial Discipline Inspection Commission: Wang Ning, Cheng Li, Wang Wenbin, Wen Guangzhi, Li Yan, Song Wenyu, Chen Bin, Hu Yi, Hu Chenxiang, and Liang Ping.

The following are the newly elected members of the provincial CPC Committee, in order of the number of strokes in the surname: Yu Fei, (Wang Ye), (Wang Shouchu), Wen Guangzhi, (Zhu Senlin), Li Hao, Yang Li, (Yang Hong), (Xiao Qigui), (Zhang Xianqi), (Qiu Xianghui), and (Qin Wenjin).

The following are the newly elected alternate members of the provincial CPC Committee, in order of the number of strokes in the surname: (Luo Shengan) and (Huang Huahua).

The following are the newly elected members of the provincial Advisory Commission, in order of the number of strokes in their names: Ding Xiling, Ma Fang, Wang Yaming, Wang Boqun, Che Xuezao, Bai Xiucheng, (Feng Xueyan), Liu Zhaolun, Guan Xiangsheng, (Zun Yi), (Qu Dingkui), (Li Maoxian), Li Fulin, Yang Guoqing, Zhang Hanlin, Zhang Huaming, (Lu Yin), Chen Bin, (Zheng Xi), (Hu Guangen), and (Han Donggu).

The following are the newly elected members of the provincial Discipline Inspection Commission: (Zhu Shuping), (Wu Changfang), (He Dinghuan), (Song Shuzhong), (Zhang Jianchen), (Chen Wenguan), (Kang Leshu), and (Liao Ruizhang).

GUANGXI OFFICIAL URGES ACTION ON UNHEALTHY TRENDS

HK250645 Nanning Guangxi Regional Service in Mandarin 1100 GMT 24 Jan 86

[Excerpts] The Guangxi Regional CPC Committee held a gathering of leading cadres of regional organs this morning to study and implement the spirit of speeches given by

leading central comrades at the central organ cadre gathering, and study the questions of further straightening out party style in the regional organs and striving for a fundamental turn for the better in party style in the whole region.

Regional CPC Committee Deputy Secretary Wei Chunshu presided at the gathering. Secretary Chen Huiguang delivered a mobilization report. He said: We must resolutely implement the central instructions and summon up the greatest resolve to straighten out party style. The regional CPC Committee must set an example in governing the party with strictness. The party members and cadres in the regional organs, especially the leading party-member cadres at and above departmental and bureau level, must take the lead in straightening out party style.

Chen Huiguang said: The region's political and economic situation is good, and the main current of party style is also good. However, the following problems also exist: 1) Some people pursue political liberalism. 2) Some are seriously affected by individualist mentality and have forgotten the party's fundamental program of serving the people wholeheartedly. 3) Some are gravely bureaucratic and have become divorced from the masses and reality. 4) Some stress human feelings and relationships instead of party spirit and principles in employing people and getting things done. 5) Some units are organizationally loose and their discipline is slack. 6) Unhealthy trends in certain units have not been completely curbed, and new unhealthy trends have also emerged. The leading cadres of some units also fail to grasp major and important criminal cases, or else only take ineffective action to deal with them.

Comrade Chen Huiguang pointed out: The reason for the existence of these problems is that, on the one hand, we have failed to have sufficient understanding of and to effectively resist various nonproletarian ideas that have emerged in the party under the new historical conditions amid a peaceful environment. On the other hand, the negative impact of the 10 years of turmoil on the party's ideology and work style has not yet been completely eliminated. In addition, there has been some increase in the corrosion caused in our ranks by decadent capitalist and feudalist thinking while opening up to the world and enlivening the domestic economy.

Comrade Chen Huiguang said: In accordance with the spirit of the speeches of leading central comrades and in light of the current state of party style in the regional organs, the regional CPC Committee has decided to grasp the question of straightening out party style and set examples for the whole region. These organs must now concentrate forces to grasp this work really well and achieve results this year, as an example for the whole region.

He also stressed the following points:

1. Seriously study the documents to unify thinking.

2. Focus on key points and start with the leading organs and cadres.

3. Investigate to the end all major and important criminal cases and deal seriously with them.

4. Strengthen leadership and establish responsibility systems at all levels.

5. Improve organ work style and efficiency.

HUNAN URGES STUDY OF CENTRAL LEADERS' SPEECHES

HK180542 Changsha Hunan Provincial Service in Mandarin 2300 GMT 16 Jan 86

[Text] On 14 January, the provincial CPC Committee and government issued a circular to party committees and governments at all levels, urging them to earnestly study and implement the spirit of the speeches delivered by central leading comrades at the central organ cadres rally, to deepen their understanding, to strengthen their confidence, and to resolutely correct party style.

The circular read: The CPC Central Committee decided to start the correction of party style in the central organs first. This important policy decision and action has set an example for party and government organs throughout the country, and will have a great impact on the style of the whole party. The provincial CPC Committee and government demand that provincial organs set an example for organs at all levels and for the whole province in correcting party style. Party and government organs in the province must grasp the correction of party style level by level. Party and government leadership organs at all levels must set a good example for organs at lower levels and local units in this respect. In particular, leading cadres at all levels must set a good example for all cadres. It is necessary to promptly dismiss and transfer to other positions those leading cadres who have a bad style and refuse to mend their ways after being criticized and educated by others and who are incompetent and fail to exercise effective leadership in correcting malpractices. We must resolutely and continuously correct malpractices. It is necessary to strengthen ideological education, to perfect the system, to enforce discipline, to seriously investigate and deal with important and major cases, and to perfect the system of democratic life within the party. We must continue to grasp the work in a down-to-earth manner so as to greatly improve the work style of organs at all levels.

HUNAN REGULATIONS ON CORRECTING PARTY STYLE

HK180622 Changsha Hunan Provincial Service in Mandarin 1100 GMT 16 Jan 86

[Text] Recently the provincial CPC Committee Standing Committee formulated eight regulations on correcting party style. When announcing the eight regulations, provincial CPC Committee Secretary Mao Zhiyong urged party committees at all levels and comrades inside and outside the party to carry them out. The provincial CPC Committee also demanded that leading organs and cadres at all levels set a good example and correct their own party style first so as to encourage cadres and the masses with their model deeds.

Over the past few days, the provincial CPC Committee Standing Committee members have earnestly studied the spirit of the important speeches delivered by the central leading comrades at the central organ cadres gathering. They have deeply understood that to seriously correct the unhealthy practices of a handful of party-member cadres and leading cadres, such as bureaucraticism, individualism, liberalism, selfish departmentalism, ignorance of the principle of party spirit in employing people and doing things, and lax organization and discipline, the essence is that leading organs and cadres at all levels must set a good example themselves. Provincial CPC Committee Standing Committee members must particularly set a good example in this respect. To make supervision easy, the provincial CPC Committee Standing Committee has formulated eight regulations:

1. When going to work in grass-roots units, they need not be accompanied by local cadres at different levels, need not be greeted and sent off by local cadres and people; must refuse to attend dinner parties; must adhere to the scale for boarding charges; must not buy low-priced goods; and must refuse to accept gifts.

2. They are not allowed to go on sightseeing trips using public funds or make trips overseas without normal purposes.

3. They must be provided with cars in accordance with the relevant regulations stipulated by the CPC Central Committee and State Council on the use of cars by leading cadres. When taking part in collective activities, they should join others in using cars provided in a unified way.

4. They must teach their wives and children to observe discipline and abide by the law. If their wives or children engage in serious malpractices, they must report the cases to party democratic life meetings and must carry out self-criticism if they make mistakes themselves.

5. If their relatives or friends are involved in illegal or criminal cases, the cases should be dealt with by the relevant departments. They are not allowed to interfere in the cases or to connive and shield relatives or friends.

6. Promotion and employment of cadres must be examined by organization departments and approved after collective discussions. Appointment by favoritism should be abandoned. They are not allowed to promise others promotions.

7. They must spend 2 to 3 months in grass-roots units every year to conduct systematic investigations and study, to discover the facts, and to help solve problems there.

8. They must observe discipline in keeping secrets. They are not allowed to talk about party and state secrets in the presence of their wives, children, or other irrelevant persons.

A responsible comrade of the provincial CPC Committee pointed out that to bring about a basic turn for the better in party style throughout the province, the organs of the provincial CPC Committee and government and other provincial organs must first improve their own style and set a good example for the whole province in correcting party style.

HUNAN'S MAO ZHIYONG DISCUSSES MILITIA WORK

HK210315 Changsha Hunan Provincial Service in Mandarin 1100 GMT 20 Jan 86

[Text] At a conference of prefectural and city CPC Committee secretaries, the principal responsible comrades of the provincial CPC Committee have listened to reports from the provincial military district on militia and reserve service work in 1985, on the transfer of the Armed Forces departments to the local authorities following the streamlining and reorganization of the PLA units, and on arrangements for militia work in 1986.

Provincial CPC Committee Secretary Mao Zhiyong and Deputy Secretary Liu Fusheng spoke at the meeting. Comrade Liu Fusheng fully affirmed the great role played by the provincial military district, the military subdistricts, and the people's Armed Forces departments in the past 2 years in building the two civilizations while subordinating themselves to the overall national situation, and praised the good experiences of Qidong County in developing and employing dual-purpose talented persons.

Mao Zhiyong put forward hopes regarding militia and reserve service work in 1986. He demanded that the party committees at all levels carry forward the fine tradition of party control of the Armed Forces. The provincial military district, the militiary subdistricts, and the local party committees should work together to raise militia and reserve service work to a new level.

GUIZHOU VICE GOVERNOR SPEAKS ON BIRTH CONTROL

HK211322 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 19 Jan 86

[Text] After listening to a recent work report of the provincial investigation group for birth control, Vice Governor Zhang Yuqin stressed that this year, we must further act in the spirit of relevant documents of the CPC Central Committee and the provincial CPC Committee. We should strengthen propaganda work and the building of service centers at the grass roots. We should provide services to individuals, improve the work method, and strive for winning the first victory in birth control work in the Seventh 5-Year Plan.

In December 1985, the provincial investigation group for birth control organized five small groups for examining the implementation of birth control work in Guiyang City, Lupanshui City, Bijie Prefecture, Qian Dongnan Autonomous Prefecture, and Qian Xinan Autonomous Prefecture. The small groups visited 26 cities, counties and special zones; as well as 42 districts, towns, townships, villages, neighborhood offices, factories and mines, where they held more than 26 forums and work report meetings. They also carried out propaganda activities, and extended regards to the localities.

Through investigation, the investigation group held that these counties and cities have done well in birth control work during the Sixth 5-Year Plan. Their achievements are remarkable. Between 1980 and the end of 1984, Guiyang's survival rate for newborn babies was increased from 54.28 percent to 83.19 percent, the rate of having an additional child was decreased from 18.13 percent to 5.1 percent, and the rate of issuing certificates to one-child families was increased from 27.93 percent to 76.6 percent. Between 1 January to November, the city's survival rate for newborn babies was 78.67 percent and its rate of having an additional child was 4.02 percent. It is estimated that by the end of this year, the natural growth rate for the population will be about 7 per thousand.

In the course of investigation, the provincial group found out that the localities set a clear goal, were determined, and adopted correct methods when carrying out the work. Many of them improved their work style and methods when checking the population growth. Therefore, the situation of stability and unity has been constantly consolidated.

XIZANG PARTY LEADERS INSPECT PREFECTURES

HK220543 Lhasa Xizang Regional Service in Mandarin 1130 GMT 20 Jan 86

[Excerpts] According to XIZANG RIBAO, from late December 1985 to early January 1986, in order to implement the principles formulated at the enlarged meeting of the regional CPC Committee Standing Committee on the region's work in a down-to-earth manner and as soon as possible, and in order to turn them into the conscious acts of the people of various nationalities in the region in their endeavors, Wu Jinghua, secretary of the regional CPC Committee, and Raidi, Dangzin, Gyanincain Norbu, deputy secretaries of the regional CPC Committee, made inspection tours to Shannan, Nagqu, Xigaze, and Medog to conduct in-depth investigations despite the winter cold. They promptly discovered and solved problems during the inspection, thus greatly promoting the implementation of the spirit of the enlarged meeting of the regional CPC Committee Standing Committee.

Following the enlarged meeting of the regional CPC Committee Standing Committee in November last year, all prefectural and city CPC committees immediately held various meetings to earnestly study and implement the spirit of the enlarged meeting. In the course of study and implementation, all localities laid particular stress on conducting education in going further in three respects [negating the Cultural Revolution, eliminating leftist ideological influence, and straightening out the ideological line].

They mobilized people to further eliminate leftist ideological influence, to thoroughly negate the Cultural Revolution, and to further straighten out the ideological line in connection with reality. Through the study and implementation, both cadres and masses said that the enlarged meeting of the regional CPC Committee Standing Committee was a good meeting. Provided that we act in accordance with the spirit of the enlarged meeting, Xizang is full of promise.

In this situation, the regional CPC Committee held that as a result of relaying, studying, and implementing the spirit of the enlarged meeting, the cadres and masses' minds are at ease and are in high spirits. The situation is excellent. The crux of our work in the next stage is to firmly grasp the implementation of the spirit of the enlarged meeting. To properly implement the spirit, the regional CPC Committee absolutely cannot be content with giving orders, but must get out of the office and into the grass roots, properly conduct study and investigation, give specific guidance effectively help grass-roots units solve practical problems, and guide the masses to turn their initiative into getting rid of poverty and becoming rich and doing practical things. Motivated by this guiding thinking, the regional CPC Committee decided that secretaries and deputy secretaries in office should go to the grass roots to implement the spirit of the enlarged meeting.

When conducting study and investigation in Shannan Prefecture, regional CPC Committee Secretary Wu Jinghua drove a thousand li to inspect rural areas in four counties. After the masses told him that they felt pressure in the past when the higher author-authorities requested them to double and quadruple the output value of production, Comrade Wu Jinghua said: We must adhere to the principle of seeking truth from facts and must make practical efforts and do solid work. We must eliminate the practice of seeking undeserved reputation and flourishes. So long as we do our utmost and work hard, go about things steadily and surely, and make people rich, it means our target is attained.

On learning that leftist influence and the erroneous influence of the Cultural Revolution still exist in rural areas, Comrade Wu Jinghua told the cadres in Shannan Prefecture: Judging from the situation in grass-roots units, the decision made at the enlarged meeting of the regional CPC Committee Standing Committee on conducting education in going further in three respects is absolutely correct. No other places in the country are now conducting this kind of education, except for Xizang. This precisely indicates that we have adhered to the principle of doing everything in accordance with Xizang's reality. Therefore, we must properly conduct education in going further in three respects.

In his contacts with rural cadres, Comrade Wu Jinghua deeply felt that it is absolutely necessary to grasp the building of rural grass-roots regimes in the region. He said: In the building of township-and village-level administrative organs, the thousand threads at high levels are pulled by a needle at the lower level. Without establishing and perfecting grass-roots regimes, it will be very difficult for us to carry out our work, let alone lead the masses in getting rich. Therefore, we must do our utmost to properly build regimes at township and village levels so as to guarantee grass-roots work organizationally.

Through conducting study and investigation, Comrade Wu Jinghua obtained a basic idea governing the region's work in this year, namely, the region must be stable this year. Party organizations at all levels and cadres must conduct study and investigation in a down-to-earth manner, firmly grasp the implementation of the spirit of the enlarged meeting, combine subjective desires with objective reality, and implement the spirit in all fields. We must treat this year as an implementation year.

When conducting study and investigation in Nagqu, regional CPC Committee Deputy Secretary Raidi gave up his holiday on New Year's Day and contacted and talked extensively with cadres at county and district levels. He found that quite a few comrades had various ideological worries over the correct guiding idea raised at the enlarged meeting of the regional CPC committee Standing Committee on going further in three respects. After patiently listening to various opinions, Comrade Raidi, in light of the comrades' ideological problems, spoke in simple terms of the importance, necessity, and urgency of conducting education in going further in three respects from the high plane of combining theory with practice.

Comrade Raidi said that the education in going further in three respects not only corresponds with the spirit of the National Conference of Party Delegates, but is an important policy decision and step for implementing the spirit of the three central conferences in accordance with Xizang's reality. Only by properly conducting education in going further in three respects, will we have a firm ideological foundation in uniting, fighting, and attaining a higher target, and will it be possible for us to meet the general requirements and attain the general target in going further in three respects.

When conducting investigation in Xigaze Prefecture, Comrade Dangzin, deputy secretary of the regional CPC Committee, found that some cadres and masses failed to fully understand the defects of being large in size and collective in nature. A handful of areas cannot bear to part with it. He said that the economy in rural and pastoral areas must switch from the supply-type economy to the operation-type economy as soon as possible and a benign economic cycle must be established. It is necessary to thoroughly eliminate the idea of being large in size and collective in nature.

In his conversations with some cadres at the county and district level, Comrade Dangzin found that the idea of unitary production is still prevalent. He held that this is a big problem concerning whether the masses can get rich very soon. At a cadre meeting he said that agriculture is the foundation of the national economy, and it is true that grain production should not be relaxed, but sticking to the idea of unitary production will result in a stagnant rural economy. We must use our brains, try every means to give play to our superiorities while avoiding our weaknesses, and develop a diversified economy, including economic crops, animal husbandry, forestry, sideline production, rural handicraft industry, rural building industry, rural transportation, and rural service industry. We must develop a diversified economy to [words indistinct] and develop agricultural production to promote the development of a diversified economy so as to bring about a coordinated development between them. In this way, the rural economy can become prosperous in an all-round way.

During the period, Comrade Gyanincain Norbu, deputy secretary of the regional CPC Committee, led a regional comfort group to Medog County, the only county in the region not serviced by highways, to help residents of various nationalities there solve difficult problems. The people in the border area were greatly inspired.

To sum up the experiences gained by the leading comrades of the regional CPC Committee from their study and investigation in grass-roots units, the regional CPC Committee, the regional People's Congress Standing Committee, and the regional people's government not long ago held a meeting to listen to the reports given by several leading comrades of the regional CPC Committee. They all believed that this kind of study and investigation is good and should be continued in the future.

ZHOU HUI AT NEI MONGGOL MILITARY MEETING

SK230441 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 21 Jan 86

[Text] On 18 January, Zhou Hui, secretary of the autonomous regional CPC Committee, made a speech during his visit to the leading cadres who came from the PLA units at or above the division level and who were attending the enlarged meeting of the party committee under the Nei Monggol Regional Military District.

In his speech, he stated: Having the Army be a vanguard in straightening out party style has great significance and will certainly play a tremendous impetus role in bringing about a fundamental turn for the better in party style throughout the region. Such a role cannot be underestimated. In undertaking construction, we should build the two civilizations simultaneously and give priority first to material civilization and spiritual civilization second. However, the reaction of the spiritual civilization is very great and the more profound connotation of the spiritual civilization is the realm of human thought, such as whether we have firmly fostered the idea of serving the people wholeheartedly, had ideals, taken the whole situation into consideration, stressed morality, and observed discipline.

In his speech, he stated: Achieving a fundamental turn for the better in party style has a vital bearing on building socialism that reflects Chinese characteristics. If some seriously corrosive practices cannot be corrected in a timely manner and are left to spread, we will not be able to make a success in the program of building the four modernizations. Though we have introduced advanced foreign technology while enforcing the open policy in order to enliven the domestic economy, we have also introduced some corrosive things along with the technology, which will affect our comrades who do not have strong wills. For this, we should have sharp vigilance, constantly conduct education among the party members and the masses, and should eliminate the malpractices in a timely manner.

In his speech, Comrade Zhou Hui stated: In currently conducting reforms in economic systems, we will not be able to fulfill the great cause of reforms without fine party style. He urged the broad masses of commanders and fighters of the regional military district to set examples for the region as a whole and to continuously carry forward the glorious tradition of the party and Army as they did in the past in order to make new contributions to bringing about a fundamental turn for the better in party style.

Accompanying him in the visit to the military district party enlarged meeting was Bu He, deputy secretary of the regional CPC Committee and chairman of the regional people's government. He also urged the broad masses of commanders and fighters of the regional military district to continuously carry forward the glorious PLA tradition of supporting the government and cherishing the people, to help the local units make a success in various work, and to strive to build the autonomous region into a northern border area full of unity, wealth, and culture.

NEI MONGGOL CHAIRMAN ON TAX COLLECTION

SK230547 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Jan 86

[Text] On the afternoon of 20 January, at a regional financial and tax work conference, Bu He, chairman of the region, stressed in his speech that financial and tax departments should strengthen management over the work of increasing revenue, exert great efforts to organize for revenue, abide by policies when spending money, and pay attention to the returns of funds, to economic results, and social benefit.

Comrade Bu He said: In 1985, our region realized a revenue of 1.125 billion yuan, exceeding 1 billion yuan for the first time. This was a great achievement. This showed that since 1985 when the system of cooking with separate stoves was applied to financial work, party and government leading departments at all levels have attached importance to financial and tax work. The masses of grass-roots tax personnel, in particular, have worked in the frontline all year round, and have done a great amount of work. Such good financial achievements of today of our region cannot be separated from the diligent labor of these comrades.

Comrade Bu He pointed out: Recently several evil cases of beating up and inflicting wounds on tax collectors and administration personnel occurred in succession. These cases should be sternly handled according to law. Taxes are the major sources of state revenue. Collecting and paying taxes according to policy stipulations are a glorious responsibility of tax departments at all levels and staff and workers of various nationalities. They should be supported by various fields. However, some units and individuals fail to fully understand the important significance of the state tax policies, and support the work of tax personnel. They evaded taxes to a rather serious extent. We should extensively and thoroughly publicize the state tax policies, and educate the people to actively pay taxes on the basis of developing production and invigorating circulation. This is their obligation to the state's four modernizations. In the meantime, tax collectors and administrative personnel sould also enhance their political consciousness and professional competence, and strive to collect taxes in a civilized manner.

Speaking on the arrangements for this year's expenditures, Comrade Bu He said: We should strictly control the increases in the scope of capital construction and in consumption funds. Expenditures should be used in such a way that key areas are guaranteed. We should pay attention to economic results and social benefit when spending money, and make every penny count. In the future, leagues and cities should delegate some financial power to banners and counties in order for them to make better arrangements for production and other undertakings in line with specific local conditions, and open up financial sources to increase revenue.

Comrade Bu He emphasized: Comrades of financial and tax departments should study well the principles and policies concerning urban and rural economic reforms, and resist anything incompatible with policy stipulations so as to imporve party style and social conduct and promote the smooth progress of reforms.

SHANXI PARTY WORK CONFERENCE OPENS 21 JAN

HK220237 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 21 Jan 86

[Excerpts] A Shanxi Provincial CPC Committee work conference opened in Taiyuan on 21 January. The main agenda of the conference is to further implement the spirit of the National Conference of Party Delegates, and to sum up the province's work in 1985 and make arrangements for this year's work. A total of 588 persons are attending the conference. Comrade Wang Senhao presided on 21 January.

Comrade Li Ligong delivered a report, dealing with three topics: 1) basic evaluation of work in 1985; 2) the basic tasks and focal points in work for 1986; 3) brace spirits, improve work style, and vigorously grasp implementation.

Comrade Li Ligong said: In 1985 the party committees at all levels in the province seriously implemented the spirit of the 3d Plenary Session of the 12th CPC Central Committee and the National Conference of Party Delegates and did a lot of work, scoring great success.

The general guiding principle for work in 1986 is to further mobilize the party organizations and the people throughout the province to focus on reform and straightening out party style, centering on economic construction, which is the key task. We must promote the building of the two civilizations in an all-round way and ensure that our socialist modernization drive can record sustained, steady, and coordinated development in all respects.

Comrade Li Ligong stressed: The reason why we must lay particular stress on implementing this year is that the party's major guidelines have been basically laid down, and the key lies in implementing them and translating them into reality in a thoroughly sound way. We must grasp and solve each issue that arises.

NI ZHIFU ADDRESSES CPC COMMITTEE PLENUM

SK170540 Tianjin TIANJIN RIBAO in Chinese 29 Dec 85 p 1

[Text] The Fourth Tianjin Municipal CPC Committee held its fourth enlarged plenary session from 25 to 28 December, at which participating comrades further studied the documents adopted at the National Conference of Party Delegates, unified their viewpoint on the current situation and tasks, and discussed and adopted the "main points" of municipal committee work in 1986.

On the afternoon of 28 December the session held a plenary meeting presided over by Li Ruihuan, deputy secretary of the municipal CPC Committee. At the meeting, Ni Zhifu, secretary of the municipal CPC Committee, delivered a summation. Qiao Shi, member of the Political Bureau and Secretariat of the CPC Central Committee, on an inspection tour in Tianjin, also delivered a speech.

At the meeting the 57 members and 11 alternate members of the municipal CPC Committee and the principal party-member leading cadres from the units at or above the district-county-bureau level unanimously adopted the "main points" of municipal committee work for 1986.

Also attending the meeting were leading comrades, including Wu Zhen, Tan Shaowen, Nie Bichu, Zhang Zaiwang, Yan Dakai, Zhang Huaisan, Tan Songping, Yang Jingheng, Wang Xudong, Ji Zenghu, He Guomo, Chen Yiyi, Zhang Dinghua, Zheng Guozhong, Bai Hualing, Xing Yanzi, Li Huifen, Zhang Lichang, Hao Tianyi, Wang Peiren, Bai Hua, Li Zhongyuan, Zhao Jun, Liu Zengkun, Xu Ming, Yu Fujing, Shi Jian, Liu Jinfeng, Li Lanqing, Lu Xuezheng, Li Changxing, Mao Changwu, Xiao Yuan, Zhao Jinsheng, Zhou Ru, Yu Songting, Kang Tiejun, Liao Canhui, Zheng Wantong, and Huang Yanzhi. Attending the meeting as observers were veteran comrades including Li Gang, Li Yanwu, Wang Enhui, and Lu Da; and nonparty responsible comrades including Yang Jianbai, Han Tianyao, Yao Jun, Huang Difei, Huang Yusheng, and Yang Tianshou.

During the session, Comrade Li Ruihuan delivered a speech entitled "Close Our Ranks and Strive to Consolidate and Develop the Municipality's Excellent Situation," in which he detailed the discussion material of main work points of 1986. He pointed out: The general guiding ideology running through the main work points supports consolidating and development of excellent situation, which also means that various fronts should exert an all-out effort in further consolidating and developing the political situation of stability and unity. He stated: Efforts should be made to clearly discern the excellent situation, to maintain a trend of actively making progress, to set new targets in order to make a new step in the implementation period of the Seventh 5-Year Plan, to consolidate and popularize the results scored in the transformation drive in order to carefully deal with sensitive questions, to do a good job in building the two civilizations in order to reap bumper harvests in both the material and spiritual aspects, to uphold the target of serving the people wholeheartedly in order to do concrete deeds for the masses in a down-to-earth

manner, to trust and rely on the masses as well as respect the people's position of being the masters of the country and their pioneering spirit, to earnestly do a good job in conducting the party recitifcation drive in order to improve social morale by improving party style, and to enhance the work of building leading bodies in order to bring into practical play their supportive roles.

The "main points" of the municipal committee work in 1986 comprises the following eight aspects: 1) the situation and major tasks; 2) transformation and the open policy; 3) industrial and agricultural production and tertiary industry; 4) education and science and technology; 5) urban construction and the people's livelihood; 6) spiritual civilization construction and ideological and political work; 7) improvement of party style and the construction of leading bodies; and 8) efforts should be made to unite as one in striving to make new progress in various work. The "main points" points out that during the implementation period of the Sixth 5-Year Plan, our municipality has scored marked achievements in earnestly implementing the central line, principles, and policies and building the socialist modernization. The political situation of stability and unity has become more and more stable, and economic development has begun to enter a period full of exuberant vitality. We possess the favorable foundations for making steady progress and are enjoying a very good situation.

The "main points" points out that the major tasks for 1986 will be to deeply implement the spirit of the National Conference of Party Delegates and to further consolidate and develop the excellent situation. Efforts should be made to persistently regard economic construction as a central task, to readjust structures on the premise of serving the state program of conducting macroeconomic control, and to firmly grasp the two key links of production and construction, such as increasing economic results and the volume of foreign exchanges, in order to maintain an adequately expanding economic rate. On the basis of developing production, efforts should be made to continuously improve the people's livelihood. A good job should be done in conducting party rectification work, straigtening our party style, and in giving priority to the programs of conducting ideological and political work and building spiritual civilization in order to provide a powerful political guarantee for conducting reforms and building the four modernizations.

In his summation, Comrade Ni Zhifu pointed out: The enlarged plenary session of the municipal CPC Committee is a meeting full of unity and inspiration. The "main points" of the municipal committee work in 1986 has better embodied the spirit of the National Conference of Party Delegates and of the directives recently issued by the Secretariat of the CPC Central Committee. The arrangements for the work in 1986 should be carried out in line with these main points:

In his speech, Comrade Ni Zhifu put forward the following five suggestions for 1986 work: 1) Efforts should be made to regard from beginning to end economic construction as a central task, although many things must be done, and the work tasks are heavy; 2) a good job should be done in vigorously mapping out the municipal grand plans for the Seventh 5-Year Plan period; 3) the key to improving party style lies in paying true attention to work, and by no means should we hold discussion on work alone; 4) one of the work emphases imposed on party committees at all levels is to enhance the work of building socialist spiritual civilization and conducting ideological and political work; and 5) a good job should be done in continuously readjusting and building the leading bodies that will be the organizational guarantee of making a success of various work.

NI ZHIFU AT TIANJIN MEETING ON INDUSTRY

SK231118 Tianjin City Service in Mandarin 0030 GMT 23 Jan 86

[Excerpts] On 22 January, the municipal CPC Committee and the municipal people's government held a meeting to sum up investigations and studies of the three basic links in industry.

Comrade Ni Zhifu, secretary of the municipal CPC Committee, made an important speech at the meeting. Li Ruihuan, deputy secretary of the municipal CPC Committee and mayor of the municipality, presided over the meeting. The first part of this meeting opened on 20 January, while the second part of the meeting was held on 22 January. Present at the second part of this meeting were Ni Zhifu, Li Ruihuan, Wu Zhen, Tan Shaowen, Nie Bichu, and Zhang Zaiwang, as well as responsible comrades of pertinent departments, commissions, offices, and bureaus under the municipal CPC Committee and of some companies, enterprises, universities, colleges, and research units.

Ni Zhifu pointed out: The current investigation into the three basic links in industry has been conducted within the machinery and electronics industrial enterprises. But the result of the investigation should attract the attention of the comrades on the vast economic front of the municipality, and should be used by various trades for reference in some aspects.

Ni Zhifu said: Being an open coastal city, Tianjin plays a pivotal role in linking our country with foreign areas. Confronted with a new situation and new challenges, Tianjin's industry is backward in many aspects. Therefore, it should be a major policy for Tianjin to take advantage of the excellent Seventh 5-Year Plan period, in which the economy will develop steadily and coordinatedly, to actually strengthen the building of the basic links in industry so as to prepare the necessary ground for the upcoming revitalization of industry.

With regard to handling the relationship between the basic and other links in industry, Ni Zhifu offered the following six suggestions: 1) To raise the level of finished products, we must start with improvement in the basic links; 2) in carrying out technical renovation, we should attach importance to strengthening the basic links; 3) in importing and drawing in advanced foreign technologies, we should pay attention to tackling problems in the basic links; 4) in strengthening the construction of the basic links, we should take the road of specialization, cooperation and integration; 5) in developing new industries, we should make breakthroughs in the basic links; and 6) in popularizing modern and scientific management, we must strengthen the work of the basic links.

In conclusion, Ni Zhifu set forth specific policies and measures for strengthening the construction of the basic links in industry.

At the conclusion of yesterday's meeting, Li Ruihuan pointed out: This meeting will play an important role in further developing Tianjin's industry, raising Tianjin's functions, and promoting the progress of Tianjin's modernization drive.

Li Ruihuan said: Fundamentally speaking, the strengthening of the three basic links should not be confined to machinery and electronics industrial enterprises. In fact, we should strengthen the work of all basic links. We must note that at present many units are weak in their basic work. These units have not yet clearly understood their basic sitaution, paid attention to their basic links, and formed their basic methods. This is a universal sitaution in the municipality. To effect a fundamental improvement in Tianjin's work, we must pay attention to building these basic links.

Nie Bichu, deputy secretary of the municipal CPC Committee and vice mayor of the muncipality, and Yang Jingheng, Standing Committee member of the municipal CPC Committee, also spoke at yesterday's meeting. The meeting continues today.

HEILONGJIANG SECRETARY ON RURAL PARTY RECTIFICATION

SK240129 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 21 Jan 86

[Text] In his speech at the provincial conference on the township-level party rectification on 20 January, Sun Weiben, secretary of the provincial CPC Committee, stated: Efforts should be made to have the leading organs and cadres take the lead in running the party strictly and making a success of building the party.

In his speech, Sun Weiben stated: The Secretariat of the CPC Central Committee recently held a conference of cadres from the central-level organs, at which the central leading comrades delivered important speeches in which they all urged the central leading organs to set examples in straightening out party style throughout the country. The party organizations at all levels, including those that have completed the party rectification work, that are at present conducting the work, and that have not begun the work yet, should organize their party members to earnestly study these speeches. The current striking issue in running the party strictly and enhancing party construction is to straighten out party style that is deeply related to the life and death of the party and that incurs very strong complaints from the masses. Though party style has continuously achieved a turn for the better along with the party rectification drive and through the common efforts exerted by the masses, some serious problems still remain. Of them, some have adversely affected social morale. In his speech at the conference of cadres from the central organs, Comrade Wang Zhaoguo mentioned the six manifestations in the central organs' party style, which generally exist in our province, and which have cropped up in various forms and varying degrees in the organs at all levels. What is especially serious is that some leading organs and cadres have taken the lead in committing some malpractices, such as turning a deaf ear to the central repeated injunctions concerning discipline by sticking to their old ways of doing things, and adopting countermeasures in coping with the policies. Though these malpractices have been committed by a few units and individuals, they can damage party style and the reputation of the party and the country, if they are not corrected, and they can adversely affect the activities of creating a turn for the better in social morale and the economic construction and reform programs.

In straightening out party style, we should currently make a start by implementing the circulars issued by the General Offices of the State Council and the CPC Central Committee. The party organizations and party members at all levels should earnestly study the central directives concerned, examine themselves in line with every provision of the directives, and correct their mistakes in a down-to-earth manner. In conducting this work, we should have a sense of emergency and responsibility and race against time to firmly carry out the work. No one is allowed to adopt an attitude of perfunctorily performing one's duty and paying no heed to the directives on activities to improve party style. It is imperative to refrain from adopting a wait-and-see attitude toward the activities, relying on the higher authorities in dealing with problems, and hankering after gains; and to have all party members and units set examples in carrying out the activities. The main reason for the failures of the past in correcting the malpractices is that we have talked too much and done too little. Therefore, we should first be determined and second continue to correct future malpractices. To be successful in this regard, we should do a good job in grasping the following three tasks:

1. Efforts should be made to have the leading organs and cadres resolutely take the lead in carrying out the activities.

In view of the province as a whole, first of all the provincial level organs and leading cadres should be examples in this regard, take the lead in observing discipline and abiding by the law, and resolutely combat and correct the malpractices. Among the prefectures, cities, and counties, the leading personnel of the prefectural, city, and county party committees should take the lead in carrying out the activities; and compare, examine, and sum up their experience and lessons in line with the six manifestations given by the central circulars, as well as correct their discovered problems, while conducting the activities.

2. Efforts should be made to boldly conduct management, grasp the work, and overcome the knotty difficulties. We should firmly grasp the work of dealing with the malpractices and the cases of violations. As for party members who have committed general mistakes, we should concentrate on conducting ideological education among them. Those who have committed serious problems should be dealt with strictly without sparing their feelings and tolerating their mistakes. As for the major and serious cases, it is imperative for us to examine them by placing them on file. Those who have violated law and discipline, no matter how high and how strong their positions and power may be, must be called to legal account. All Communist Party members should take a clear stance and handle matters impartially to spread justice and to combat malpractices.

3. Efforts should be made to put the work of straightening out party style and examining and dealing with cases on the important schedule of the party committees in order to see to it that the work of examining cases and dealing with them can be done every day in the upcoming several years and to ensure the party's fine work style is continuously carried forward.

In his speech, Sun Weiben stated: The most fundamental task for running the party strictly is to train party members to enhance their sense of party spirit and to continuously upgrade the political quality of party members. Party style is the external indicator of party spirit which is the foundation of party style. If party members become weakened in party spirit, they are liable to forget the party's principles and public duties and commit all malpractices and cases violating the law and discipline. Therefore, the fundamental measure for straightening out party style is to enhance the training on party spirit among party members and also to strengthen the education among them on the party's fundamental objective, on communist ideals, on the relationship among the existing policies, and on the relationship between the leeway created by the policies and the principle of upholding party spirit. Efforts should be also made to conduct education among party members on observing the discipline and abiding by the law, and on the knowledge of science and culture. In addition, current attention should be paid to vigorously improving party life. All leading cadres of the party organizations at all levels cannot perform their duties well without the effective supervision of the party organizations and the mutual support of party members. The key reason we lack vitality in party organizational life at present and strong fighting capacity lies in not truly carrying out formal criticism and self-criticism. Hereafter, all-out efforts should be made to restore the party's fine tradition and to carry out criticism and self-criticism. The party committees at all levels should set examples in this regard for the masses.

In his speech, he urged the party organizations at all levels to further do a good job in separating administrative work from the party affairs in order to enable themselves to exert all-out efforts to engage in self-improvement.

TAIWAN COMPATRIOTS FEDERATION COUNCIL MEETS

OW231035 Beijing XINHUA Domestic Service in Chinese 1432 GMT 19 Jan 86

[By reporter Fan Liquing]

[Excerpt] Beijing, 19 Jan (XINHUA) -- The second meeting of the second council of the All-China Federation of Taiwan Compatriots has decided to continue to publicize, in the new year, the CPC's "one country, two systems" proposal and its various other policies for the peaceful reunification of the motherland. It has also decided to vigorously promote mutual exchanges between the peoples on both sides of the Taiwan Strait, to actively unfold economic exchange work with Taiwan compatriots residing abroad and in Taiwan, and to simultaneously do a good job in the work concerning Taiwan compatriots on the mainland.

The meeting was held in Beijing from 13 to 19 January. A total of 78 council members and concerned cadres from 29 provinces, municipalities, and autonomous regions attended the meeting.

Yan Mingfu, director of the United Front Work Department of the CPC Central Committee; Su Ziheng, chairman of the Council of General Office of the Taiwan Democratic Self-Government League; and Liao Qiuzhong, president of the Taiwan Fellow-Students Association, were invited to give speeches at the meeting.

Lin Liyun, president of the All-China Federation of Taiwan Compatriots, made a report entitled: "A Summation of the Work of the All-China Federation of Taiwan Compatriots in 1985 and the Scheduled Tasks for 1986." The council members held full discussions on the report. In her report, Lin Liyun said: In 1985, the federation, regarding work at home as the foundation and work overseas as the focal point, has striven to play its role as a bridge and created a new situation in the work.

JIANGSU LEADERS AT SOIREE FOR TAIWAN COMPATRIOTS

OW231445 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 22 Jan 86

[Excerpt] On the evening of 22 January, the reception offices for Taiwan compatriots under the Jiangsu Provincial and Nanjing City People's Governments, the provincial and Nanjing City Federations of Taiwan Compatriots, and the Jiangsu People's Broadcasting Station jointly held a soiree at the Great Hall of the People in Nanjing to greet the Spring Festival and extend regards to Taiwan compatriots and their dependents.

Attending the soiree were leaders Jiang Weiqing, Han Peixin, Shen Daren, Gu Xiulian, and Sun Han; responsible persons of concerned dependents of the Nanjing PLA Military Region; some Taiwan compatriots and their dependents in Nanjing; as well as responsible persons of provincial and city political and mass organizations and people of various circles, totaling nearly 3,000 people.

At the soiree, Governor Gu Xiulian made an ebullient speech. She said: The reunification of the motherland and the reunion of our kith and kin is an irresistible historical trend. We deeply believe that this day will surely come. Governor Gu also said that Radio Voice of the Heart [Xin ling zhi sheng] will be inaugurated soon to establish communication between the peoples on both sides of the Taiwan Strait.

DENG XIAOPING 'CONCERNED' ABOUT RECTIFICATION

HK260052 Hong Kong WEN WEI PO in Chinese 26 Jan 86 p 2

["Special Dispatch" from contributing correspondent: "Deng Xiaoping Concerned About Rectifying Party Style"]

[Text] Shanghai -- According to informed sources here, since the CPC Central Committee convened a meeting attended by 8,000 persons, the work of correcting unhealthy trends has unfolded in an all-round way in the departments, commissions, and offices subordinate to the CPC Central Committee and State Council. A number of organs have temporarily ceased working in the mornings, spending the time instead on rectification. With regard to the major economic crimes involving collusion between upper and lower levels and between inside and outside, the Central Secretariat is determined to regard these as the focal point in the work and to organize forces to investigate and deal with them in a thoroughgoing way. Deng Xiaoping is personally concerned with the work. He has sternly warned high-ranking leading cadres that they must set an example and avoid favoritism. It is said that the central authorities will deal with two children of well-known leaders, and will name them. A high-level meeting also recently decided that elements guilty of particularly serious crimes should, after due legal process, be executed, so as to "kill one to warn a hundred." After an example has been set by the central organs, this rectification work will spread throughout the whole country, from top to bottom, in 1986. A turn for the better in party style and social mood is expected.

TRAIN EXPLOSION CAUSED BY PEASANT SUICIDE

HK250138 Hong Kong WEN WEI PO in Chinese 24 Jan 86 p 2

["Special dispatch" from correspondent Chou Wen-chiamg: "Truth About the Train Explosion Revealed; Peasant Took Dynamite on Board To Commit Suicide"]

[Text] The truth about the explosion on the train at the border of Hunan and Guangdong Provinces has been revealed: A peasant took dynamite on board the train to commit suicide, thus killing innocent people and causing a calamity.

An explosion on the Wuhan-Guangzhou express train No 247 at the border between Hunan and Guangdong Provinces on the evening of 15 January killed or injured 46 people. After the incident, all the public security departments of the provinces, cities and counties along the line immediately sent people to investigate. According to the survivors and a document found on the spot, and after carrying out complete investigation, the truth about the explosion was finally revealed:

A Hunan peasant about 27 years old was caught in a family dispute and was unable to extricate himself. He once told his wife and a girlfriend that he wanted to die, and even asked some of his friends about how to commit suicide. The peasant also bought six jin of dynamite and a bundle of fuses, and ignited the dynamite several times as an experiment near the village where he lived. On the day of the incident, his wife saw him go out with a package of dynamite. Soon afterward, she heard a loud explosion from the railroad and guessed that he had been killed. So his wife went back to her parents' home at once and tearfully told her brother what had happened. But they did not know that he had also killed many innocent passengers while killing himself.

According to the survivors, most of the passengers were sleeping when the explosion occurred. Two young parents sitting beside him were playing with their baby at the time of the explosion. As a result, the baby was thrown out of the train, his head severed from his body.

A girl sitting in the seat opposite him escaped death because she had exchanged seats with her boyfriend before the explosion occurred, but her boyfriend was seriously injured and later died in the hospital. Another young couple escaped death because they had left their seats to go to watch others playing cards.

Postscript: From 16 January, all railroad stations in China began to adopt strict security measures to ban people from taking flammable items and explosives on board in order to ensure the safety of the passengers during the Chinese new year.

MING PAO ARTICLE NOTES RISING PRICES IN BEIJING

Hong Kong MING PAO in Chinese 22 Jan 86 p 5

["Beijing Scene" by Liang San-po: "A Tide of Rising Prices"]

[Text] In order to follow the fashion, I bought some exquisite postcards on the eve of the new year so that I could send them to my relatives and friends in the United States. As usual, we put an 0.8 yuan stamp on each overseas airmail letter.

It was a holiday on 1 January. After making dumplings, I suddenly remembered that I had forgotten to send a new year card to a friend in New York. I wrote a few words hastily, put a 0.8 yuan stamp on the airmail envelop, and went directly to the post office. Unexpectedly, the lady at the counter returned the letter to me and said: "That is not enough postage." I argued: "It was 0.8 yuan 2 days ago." The lady replied contemptuously: "Starting today the price has increased."

I was struck dumb by the news. Prices changing so quickly. I had to admit that I am too bookish and pay no attention to current affairs. Still unconvinced, I asked the lady: "The news about a postal rate increase has not been carried in the newspaper." She took no notice of my "objection," but went on looking at a mirror and making up her eyebrows.

I had to mail the airmail letter. Our friendship, after all, was more important than money. With a change in my attitude, I asked the lady humbly: "How much should I pay then, comrade?" "1.1 yuan!" I put another 0.3 yuan stamp on the envelop. Later, I learned that the price of domestic airmail letters also rose from 0.1 yuan to 0.5 yuan.

I went home perplexed and discussed the matter with my wife: "We often said in the past that the price of everything rose except stamps. We can no longer say that now!" My wife was shocked by the figures. She calculated them by herself: "If the price of an overseas airmail letter rises from 0.8 yuan to 1.1 yuan, it would be an increase of 26.66 percent!"

"Domestic and Hong Kong and Macao airmail letters have also increased from 0.1 yuan to 0.5 yuan, up 400 percent. Easy to calculate, isn't it?" I said with a smile.

She shook her head and heaved a deep sigh. People say that the price of matches will not increase, she told me, now it has increased by 50 percent. When I went to a store to buy matches a few days ago, the clerk told me: "There will be a further increase after the new year!"

The dumplings were cooked and ready to be served as our conversation went on. We forgot about the price increase topic when the dumplings sent forth an appetizing smell. We set the table and were ready to celebrate New Year's Day.

A friend of mine came at this moment. He took off his overcoat and presented a bottle of famous Sichuan brand "Wu Liang Ye" wine.

Then he said casually: "Damn it! This wine could be brought for 6 or 7 yuan in the past. Now it costs 30 yuan." I blamed him for not buying it from a state-owned shop. With a long face, he said: "You simply can't get such fine liquor from a state-owned shop."

The famous wine embarrassed me. Dumplings actually do not go very well with wine. I persuaded my friend to keep the wine until dinner. After enjoying the dumplings, I had a talk with my wife. With such a nice bottle of wine, I told my wife to buy some meat to entertain our friend. I said that there were prawns for sale in the market. She asked me about the price and I replied 22 yuan per jin. "My god," she put out her tongue: "We only have 30 yuan left and the next pay day is on the 4th."

My wife took a basket and went to the market. When she returned, she showed me the things she had purchased: A frozen chicken, a grass carp, two packs of "555" cigarettes, and some Chinese flowering cabbage. She told me quietly: "I spent more than 20 yuan for all this."

After all, we had a fish on the table which was a sign of prosperity according to Chinese custom. During the dinner, the friend said: "At the party last night, the mayor said that there will be an all-round growth in Beijing's work in the new year." When my wife heard the word "growth," she reacted quickly: "What? All-round growth? Thank goodness, we hope that there will be an increase in our wages."

HONG KONG BISHOP VISITS PRC FOR FAMILY REUNION

HK24045 Hong Kong SOUTH CHINA MORNING POST in English 24 Jan 86 p 1

[By Walter Cheung in Wuhua]

[Excerpt] Hong Kong's Roman Catholic Bishop, the Most Reverend John Baptist Wu, was reunited with his youngest brother at a guesthouse in Wuhua County last night after being separated for 40 years. Bishop Wu will meet his 85-year-old mother and two other younger brothers this morning on his return to Cai Dong village in Hekou, Wuhua.

The Bishop plans to celebrate Mass for his Catholic family at their house.

It is believed that no Catholic bishop from outside China has said Mass in the country since the Chinese Government severed links with the Vatican in the 1950s.

Bishop Wu left his village after finishing secondary school and went to Hong Kong in 1946 to study at the then South China Regional Seminary. Subsequent lost contacts and political considerations have prevented Bishop Wu from returning to Cai Dong. After being ordained in 1952, Bishop Wu went to Rome, then the United States and finally Taiwan before returning to Hong Kong in 1975 to become Bishop.

After dinner with the head of the county, Mr Deng Chaoji, Bishop Wu met his youngest brother, Mr Wu Telu, who went to the guesthouse where Bishop Wu was staying.

Bishop Wu asked his brother whether he recognised him. His brother replied that he had seen his photographs. Reporters were asked not to disturb their 45-minute talk and his brother did not speak to reporters afterwards.

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PRC TO CONTRIBUTE TO IFAD DROUGHT RELIEF FUND

OW250934 Beijing XINHUA in English 0727 GMT 25 Jan 86

[Text] Rome, January 24 (XINHUA) -- Representatives from 139 member states of the U.N. International Fund for Agricultural Development (IFAD) today agreed on ways to raise 500 million U.S. dollars in aid for drought-striken African countries. The agreement came at the end of IFAD's 9th conference of fund management after four days of difficult negotiations over how much two major international organizations would have to contribute to the fund. IFAD had achieved only half its one billion U.S. dollars fund collection target before the conference because of differences over sharing.

According to one resolution, IFAD will collect over the next three years 500 million U.S. dollars as its supplementary fund, of which 300 million U.S. dollars will come from the 20 member states of the Organization of Economic Cooperation and Development (OECD) and the rest from the 12 members of the Organization of Petroleum Exporting Countries (OPEC). During discussions on the sharing, representatives from the OPEC states said that because of the decline in oil prices in the international market, they could donate only 184 million U.S. dollars. The OECD countries also wanted to reduce their donations from 300 millions to 276 million U.S. dollars. But they said they'd agree to the resolution if the OPEC countries agreed to donate their share of 200 million U.S. dollars by February 20. China, as a developing country, also offered 1.8 million U.S. dollars.

The meeting also adopted another resolution, "on special assistance program for the drought-hit south area of the Sahara Desert". Only Belgium, Sweden and Denmark promised to donate to that fund, however. France and Canada agreed to participate in the program, but made no promises of donations. Describing the adoption of the two resolutions as the success of the conference, IFAD's President Jazairy said that with the fund, the IFAD can do much more in helping the poorer countries develop their agriculture.

GUANGMINO RIBAO VIEWS SHEVARDNADZE'S JAPAN VISIT

HK271028 Beijing GUANGMING RIBAO in Chinese 17 Jan 86 p 4

[Article by Jiang Daoding, staff correspondent stationed in Tokyo: "Soviet Foreign Minister's Visit to Japan"]

[Text] On 15 January, Soviet Foreign Minister Eduard Shevardnadze arrived in Tokyo to begin a 5-day official visit. Observers held: Resumption of the regular consultations between the foreign ministers of Japan and the Soviet Union, which were discontinued for 8 years, means that tense relations between the two countries have eased. However, with the barrier -- the issue of the "northern territories' -- difficult to remove, improvement in bilaterial relations remains very limited.

In 1979, together with the United States, Japan imposed economic sanctions against the Soviet Union in protest against its military invasion of Afghanistan. Since then, Japanese-Soviet relations have been in a "cooling" state, economic exchanges have gradually diminished, and trade volume has dropped sharply. Since the beginning of last year, with the changes in the international environment, both sides have been seeking ways of extending dialogue between themselves.

After achieving the objective of turning Japan into "a member of the community of Western countries," to strive for the status of "a big country politically," Yasuhiro Nakasone has further regarded the improvement of Japanese-Soviet relations as the final topic of setting "the postwar political final accounts" in foreign affairs. In March last year, prevailing over all domestic censures, he determinedly went to Moscow to attend the funeral ceremony of Konstantin Chernenko and held talks with Mikhail Gorbachev. In October, while attending celebrations marking the 40th anniversary of the founding of the United Nations, Nakasone expressed to the press his wish "to take a visit to the Soviet Union into account." Nakasone held that it was necessary to maintain a dialogue with the other superpower in upgrading Japan's international standing. The moment Gorbachev assumed office, he demonstrated an active stance of "attaching importance to Japan." In order to push his domestic economic reforms ahead, Gorbachev regards Japan as his important partner in economic cooperation. For this reason, he has conducted a series of "smile diplomacy" activities, creating an atmosphere for resuming regular consultations between the foreign ministers of the two countries.

The Soviet policy of attaching importance to economic development has great appeal to Japan. Japanese economic circles have a particularly strong interest in the four large chemical plants designated as key development projects in the Twelfth 5-Year Plan, which began this year. Since the beginning of last year, with an enlivened atmosphere of dialogue between the governments of the two countries prevailing, some active trends have emerged in nongovernmental economic exchange activities. In December last year, both sides signed a contract on joint development of chips and wood pulp for industrial use. This is another quite important economic cooperation move following the third contract signed by both sides 4 years ago on the development of the Soviet Far East's resources. Both sides also decided that the Japanese-Soviet Joint Economic Commission would hold a meeting in Moscow in April of this year to discuss development plans for petroleum and coal gas on the Sakhalin continental shelf. Many Japanese enterprises have decided to hold a large-sized "comprehensive exhibition of Japanese industry" in October of this year.

Changes in Soviet policy toward Japan hinge on Japan's strategy toward the United States. It has been reported that, at the present foreign ministerial consultations, Shevardnadze will ask Japan to support Gorbachev's tentative plan for convening "an all-Asia security protection meeting" aimed, first, at containing Japan's actions and breaking up the "relationship" between Japan and the United States as allies; second, at making the boundary lines formed after World War II permanent through the proposed meeting and thus shelving the issue of "northern territories"; and third, at reversing its present inferior position in the Pacific region. The Japanese Ministry of Foreign Affairs has indicated that it will reject the Soviet proposal.

The most important barrier hindering Japanese-Soviet relations is still the issue of the "northern territories." Japan has repeatedly stressed that solving the issue of the "northern territories" is the important topic at the present foreign ministerial consultations. Only when the issue of the "northern territories" is solved can a peace treaty be concluded and cooperative relations in various fields be developed in a stable political environment. However, as of Shevardnadze's arrival in Japan there has been no indication that the Soviet Union has changed its stand that "the issue of territories has been solved." A fierce debate between Japan and the Soviet Union focusing around this issue is expected. According to Japanese newspapers, on the premise of adhering to the notion of "politics and economics are inseparable," the Japanese side will barter expansion of economic and cultural exchanges for Soviet concessions on the issue of the northern territories so as to return the status to that of "the issue of the northern territories has not been settled," a status affirmed by the 1973 Japanese-Soviet summit. However, in any case, the momentum for expanded Japanese-Soviet dialogue, which is already under way, will not change.

ZHAO ZIYANG SPEAKS ON OPEN POLICY TO BUSINESSMEN

OW271631 Beijing XINHUA in English 1614 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- Premier Zhao Ziyang said today China's drive against economic crimes and other unhealthy tendencies would "by no means affect its policy of opening to the outside world." "As for those unhealthy tendencies," he said, "we should neither take a laissez-faire attitude and let them go unchecked, nor should we give up eating because some things don't go down well."

Zhao was speaking here to a delegation from the board of directors of Pepsico, the U.S. soft drink manufacturer, in China for the opening of the company's second Pepsi-Cola bottling plant -- in Guangzhou, capital of Guangdong Province in southern China. "The day we adopted the policy of opening to the outside world and invigorating our domestic economy, we decided we would consistently crack down on illegal economic practices to ensure smooth implementation of the policy," he said. Zhao said the food processing industry -- including soft drinks -- had an "important place" in government development plans for light industry, along with household electrical appliance and garment manufacturing. He said China had abundant resources and a large domestic market for its food industry, but its food processing technology was outdated. In order to upgrade that technology, he said, China wanted to work with foreign enterprises in ways that would help met the needs of the Chinese people, including joint research. Zhao predicted that Sino-U.S. trade would continue to grow. But he added that the two countries should work together to correct their current trade imbalance -- which favors the United States. Donald M. Kendall, chairman of Pepisco, said that there was great potential for cooperation between his company and China, and the two sides could explore ways of cooperation in many areas.

ALLIES RELUCTANT TO SUPPORT LIBYAN SANCTIONS

OW250814 Beijing XINHUA in English 0715 GMT 25 Jan 86

[Text] Washington, Jan. 24 (XINHUA) -- U.S. Deputy Secretary of State John Whitehead returned here this afternoon after ending a 10-day trip to Canada and eight European countries, having apparently failed to persuade the Western allies to support Washington's economic sanctions against Libya. During the trip, which included stops in Canada, Federal Germany, France, Turkey, Italy, Greece, Belgium, Britain, and the Netherlands, Whitehead met with the leaders of the nine countries and proposed a four-step program for Western allies to take economic action against Libya. Whitehead's proposal included reduction in Libyan oil imports, a ban on shipments of high technology to Libya, curtailment of air traffic to Tripoli, and cuts in embassy staffs. However, most of the countries expressed reluctance to follow the American lead and to take action against Libya, agreeing only not to take up the slack left by the withdrawal of American trade and investment from Libya. Many of these countries made it clear that while they agreed with the American objectives in seeking to curb terrorism, they disagreed with the tactics pursued by the Reagan administration, such as the application of punitive economic measures against Libya.

U.S. President Ronald Reagan announced January 7 a comprehensive economic boycott against Libya, which Washington has accused of backing the terrorist attacks on the Rome and Vienna airports last December 27. The U.S. has since urged its allies repeatedly to support its actions. Although the reactions from some countries have been somewhat cool, and even critical, Whitehead said earlier today in The Hague, the last stop on his European tour, the United States will continue to consult with the allies on what steps can [be] taken to combat terrorism. Meanwhile, Pentagon sources said today that fighter planes from American aircraft carriers have begun to conduct a week-long series of flight operations off the Libyan coast in the central Mediterranean.

GORBACHEV SENDS MESSAGE ON TEST MORATORIUM

OW250740 Beijing XINHUA in English 0656 GMT 25 Jan 86

[Text] Moscow, January 23 (XINHUA) -- Soviet leader Mikhail Gorbachev has stated that his country's unilateral moratorium on nuclear testing cannot go on forever if the United States fails to join it, the official news agency TASS reported today. Gorbachev made the statement in a message to the leaders of Argentina, Greece, India, Tanzania, Mexico and Sweden, hand-delivered by special envoys, TASS said.

The Soviet leader stressed in the message that it is vital to tap all opportunities "to get the imposition of a bilateral Soviet-U.S. moratorium" and "to move forward towards complete and universal prohibition of nuclear tests." "The U.S.S.R.'s unilateral moratorium cannot, certainly, be extended ad infinitum," the Soviet leader declared.

TASS said that Gorbachev has informed the leaders of the six countries of the new Soviet initiative on arms limitation and disarmament. He explained the essence of the concrete stage-by-stage program of complete and universal elimination of nuclear weapons by the year 2000, and stressed the need for an agreement on banning the development, testing and deployment of space-based weapons, TASS added. The Soviet initiative was announced by the Soviet leader on January 15, the eve of a new round of U.S.-Soviet disarmament talks in Geneva. The initiative included the extension of the Soviet unilateral moratorium on nuclear tests to March 31 of this year. The moratorium had originally been for the period from August 6 to the end of 1985. The leaders of the six countries last year issued a joint call for the two superpowers to stop their arms race.

SOUTH YEMEN'S AL-'ATTAS LEAVES MOSCOW FOR HOME

OW260235 Beijing XINHUA in English 0210 GMT 26 Jan 86

[Text] Moscow, January 25 (XINHUA) -- The newly-named interim head of state of Democratic Yemen, Hayder al-'Attas, left here for home yesterday as the situation in his country was returning to normal, Soviet news agency TASS reported today. Al-'Attas and his foreign minister 'Abd al-Dali were seen off at the airport by Soviet First Vice-Premier Geydar Aliyev.

Al-'Attas and Al-Dali were stranded in India when fierce fighting broke out in his country on January 13. Since their arrival in Moscow on January 16, Soviet party Politburo member Yegor Ligachev and alternate member Boris Ponomarev held two rounds of talks with them on the situation in Democratic Yemen. Ligachev assured them of continuing Soviet support for that country.

A TASS despatch from Aden yesterday reported that Al-'Attas was named provisional head of state to replace President 'Ali Nasir Muhammad by the Socialist Party of Democratic Yemen at a plenum on Friday. His appointment was confirmed the same day by that country's Supreme People's Council (national parliament). The TASS despatch also reported that the military actions in Aden had been "completely stopped" and the situation there was "gradually normalizing." At its Friday plenum, TASS said, the Socialist Party reviewed the developments in that country since January 13, and pledged its "adherence to the ideals of scientific socialism and the principles of proletarian internationalism." TASS added that the party meeting "highly valued" the support and solidarity from the Soviet Union and other socialist countries. Strengthening and developing the relations with these countries will be the "cornerstone" of the foreign policy of Democratic Yemen, the meeting emphasized.

TOLKUNOV COMMENTS ON MIDEAST, GENEVA TALKS

OW251150 Beijing XINHUA in English 1127 GMT 25 Jan 86

[Text] Paris, January 24 (XINHUA) -- A senior Soviet official said here today that the Soviet Union will cooperate with "the new leaders" of Democratic Yemen if they would honor the friendship and cooperation treaty between the two countries, the AGENCE FRANCE PRESSE reported. The rivals of Democratic Yemeni President 'Ali Nasir Muhamed seemed to have already "taken" the country, said Lev Tolkunov, chairman of Soviet of the Union of the Supreme Soviet of the U.S.S.R., according to AFP.

Democratic Yemen was thrown into a civil war as President Nasir reportedly declared he had 'Abd al-Fattah Isma'il, secretary-general of the Yemeni Socialist Party, and several other rivals "executed" on January 13. The situation there has become unclear since then, with both warring sides claiming control over the country.

Tolkunov, who arrived here Wednesday for a visit at the invitation of the French-Soviet friendship group of the French Senate, also told reporters that the relations between the Soviet Union and Israel should be normalized only after, not before, the convocation of an international peace conference on the Middle East. "It would be better to wait for the results of the peace conference," he said. This is because a normalization of the relations before the conference, plus hardliner Yitzhaq Shamir in power, would harden Israel's position in the Middle East conflicts, he added. The Soviet Union severed its diplomatic ties with Israel following the outbreak of the Israeli-Arab War in 1967.

About the nuclear disarmament talks in Geneva, Tolkunov reiterated that his country will not reduce its nuclear weapons if the United States goes ahead with the "star wars" program.

YELTSIN CRITICIZES GRISHIN AT MOSCOW CONGRESS

OW251921 Beijing XINHUA in English 1859 GMT 25 Jan 86

[Text] Moscow, January 25 (XINHUA) -- The newly-appointed first secretary of Moscow City's Committee of the Soviet Communist Party (CPSU), Boris Yeltsin, at a Moscow's party congress Friday severely criticized the previous party committee for "serious mistakes" in the presence of his predecessor Viktor Grishin who is still a member of the CPSU's Politburo, the Soviet newspaper MOSCOW PRAVDA reported today. In his lengthy speech at the congress published by the paper, Yeltsin bitterly censured a number of Moscow's party and government top officials by name and blamed them for their bad management of Moscow's food supply, urban traffic, housing and other matters.

In the past two years, some 86 party officials of enterprises and organizations in the city have been expelled from the party and a large number of officials punished administratively. Grishin was removed from his post last December. The meeting were attended by the Soviet Communist Party General Secretary Mikhail Gorbachev, and many other members of the party Politburo or Secretariat.

BEIJING RADIO ON KOREAN REUNIFICATION PROSPECTS

OW260530 Beijing Domestic Service in Mandarin 1150 GMT 22 Jan 86

["International Current Events" program: Part One: "The Situation on the Korean Peninsula and the Cause of the Division of Korea"]

[Excerpts] The division of Korea into Southern and Northern parts has been a fact for 40 years, and it has caused immense sufferings to the Korean people, both in the South and in the North. Today, every patriotic Korean with a sense of national pride -- regardless of where they live or their age -- yearns for an end to the division of the Korean people and the reunification of their beautiful country through serious negotiations. In short, early reunification of Korea is the unanimous aspiration of the 60 million Korean people.

Why is it then that reunification still cannot be achieved? What is the main problem? Let us now discuss this issue briefly.

With U.S. support, the Southern part of Korea became the so-called Republic of Korea, whose first president was the proverbial reactionary Syngman Rhee, who willingly served the imperialists, violently opposed communism and the independent and peaceful reunfication of Korea, and time and again raised a hue and cry to invade the North and unify Korea militarily. On 25 June 1950, U.S. imperialists wantonly launched an aggressive war and invaded the DPRK in the North by force. On 25 October the same year, Chinese volunteers went to Korea to support the Korean people's just war against aggression. On 27 July 1953, the United States was forced to sign an Armistice Agreement with Korea and China.

Although it has been more than 30 years since the signing of the armistice accord U.S. troops are still stationed in South Korea. Moreover, they have made it a practice each year to hold mammoth military exercises with the troops of the South Korean authorities. The United States has also been supplying all sorts of military equipment and modern weapons to the South Korean authorities. All this has seriously violated the spirit of the Korean Armistice Agreement. The greatest obstacle to Korea's independent and peaceful reunification, therefore, is the stationing of U.S. troops in South Korea and U.S. interference in Korea's internal affairs.

During the past 4 decades, the KWP [Korean Workers Party] and the DPRK have made unremitting efforts to achieve the independent and peaceful reunification of Korea. According to incomplete estimates, the KWP and the DPRK Government have put forward more than 200 relevant plans and proposals, including specific measures for reunifying the country. Since 1985, there has appeared in the Korean peninsula a tendency to ease the tension there. Both the North and the South have had dialogues and contacts at all levels, and they have made some practical progress.

Of course, there is still a long way to go before Korea can achieve its independent and peaceful reunification. Dialogues and relaxation of tension, however, are what the Korean people want, and they are also conducive to Asian security and world peace. Such being the case, the prospects are bright for the independent ad peaceful reunification of Korea.

Part Two

OW270357 Beijing Domestic Service in Mandarin 1150 GMT 23 Jan 86

["International Current Events" program: Second of two parts: "The Situation on the Korean Peninsula and the Cause of the Division of Korea"]

[Text] Listeners, yesterday we introduced the situation in the Korean peninsula and the origin of partition between the South and North. Today let us discuss the developments in dialogue and contacts between the two sides in the past year or so.

On the basis of progress in 1984, the trend to reconciliation in the Korean peninsula further developed in 1985. The major characteristics of this development were that the North and South, which had long faced each other in a tense atmosphere, were conducting dialogue and contacts at different levels, and through different channels, with some concrete results.

The North-South dialogue began in the 1970s. There have been two high points: One was the talks between the Red Cross Societies and Coordination Committees of both sides in the early 1970s; the other was the preparatory talks for a meeting between the premiers of both sides in the early 1980s. Dialogue has been held intermittently in the past decade or so, and was resumed in 1984 after a 3-year suspension. However, an incident occurred in Panmumjom on 13 November of that year in which U.S. and South Korean security guards killed security guards from the North. Afterwards, the United States and South Korea again staged the largest joint military exercise since 1976, creating a discordant atmosphere for North-South dialogue. People were worried that the resumed dialogue might again be suspended.

However, it was, after all, the mid-1980s, and the major world trend was toward peace and development. North-South relations, which reflect the ups and downs of the situation in the Korean peninsula, should, as was pointed out by the Supreme People's Assembly of the North in a letter to the South, not seek confrontation within the nation or enhancement of tensions; instead, dialogue should be held to open up a way to reconciliation and peace.

There were contacts, either official or unofficial, in many fields, including political, economic, sports, and visits by separated families, between the North and South in 1985 and various degrees of success were achieved. These, plus contacts through hot lines between the two sides, made 1985 an unprecedented year in terms of frequency of contacts in the 40 years of South-North division. Some world news agencies selected the North-South dialogue and exchange of personnel as one of the 10 top news events of 1985. This is an encouraging, good sign.

In 1985, the two sides altogether held four rounds of economic talks, three of Red Cross talks, and two of preparatory negotiations for parliamentary talks. The Olympic Committees of both sides also discussed, under the sponsorship of IOC President Samaranch in Lausanne, Switzerland, the possibility of co-hosting the 1988 Olympic Games. These talks involved a wide variety of subjects, and the atmosphere was relatively harmonious. Both sides were able to calmly exchange views, earnestly consider the other side's proposals and suggestions a[illegible], on the basis of each making concessions and seeking common ground while reserving differences, reach agreement or identity of views in some areas.

During the four rounds of economic talks, the two sides agreed, in principle, to form a North-South Economic Cooperation Joint Committee, with vice premiers as chairmen. It was also proposed that each side set up an economic cooperation committee and a draft plan for economic cooperation, and an exchange be worked out. The talks laid a foundation for item-by-item discussions and the conclusion of a final agreement in the future.

The Red Cross Societies of both sides held three rounds of official negotiations last year, alternately in Pyongyang and Seoul. They discussed a package of five subjects, and reached agreement in principle on the question of free interaction between separated families and relatives. Although they did not make substantive progress on the question of reunion of 10 million separated familes and relatives, the two sides accomplished the exchange of visits by song and dance troupes and groups of divided family members on 20-23 September. Although the number of personnel from each side was limited to 151 and the venues were confined to Pyongyang and Seoul, this exchange was the first concrete action toward reconciliation in the 40 years of division and confrontation between North and South. It was the first exchange of personnel. It not only gave the 10 million separated families and relatives hope and confidence for a reunion, but also played a positive role in relaxing tensions in the Korean peninsula and promoting the peaceful reunification of Korea.

A new development in the North-South dialogue last year was the two rounds of preparatory negotiations for parliamentary talks, expanding from specialized subjects to the political field. The proposal for parliamentary talks was advanced in April last year by the Supreme People's Assembly of the North in a letter to the National Assembly of South Korea. Governments and legislatures of many nations expressed their active support for the proposal. After studying it for a relatively extended period, the South accepted the proposal and preparatory negotiations were held. During the discussions, the two sides confirmed the need to hold parliamentary talks, and reached an identity of views on the composition of delegations, the form and venue of the talks.

The dialogue and contacts between the North and South in 1985 enhanced mutual understanding and created an atmosphere of national harmony and trust. However, the two Koreas, after all, have been divided for 40 years. They have considerable differences in structure, system, and ideology and, moreover, there are many other factors standing in the way of national reunification. Therefore, there are, inevitably, many difficulties and obstacles in North-South relations. This requires both sides to exert concerted efforts to overcome or remove these obstacles.

Currently, there are still major differences in the fundamental stand and policies of the two sides on relaxing tensions in the Korean peninsula and bringing about peaceful reunification of the fatherland. The North holds that the two sides should hold parliamentary talks at an early date, in order to sign a joint statement of nonaggression and end military competition and confrontation. Moreover, it also hopes that the United States will join the North-South talks, making them tripartite, replace the Armstice Agreement with a peace treaty, and finally bring about the correct plan for the North and South to found a Democratic Confederal Republic of Koryo. However, the South sidestepped these proposals. In the North-South dialogue, it only valued a material exchange in the economic area and freer interaction between separated families and relatives. Moreover, it wants U.S. troops to remain in South Korea. Such an attitude is certainly not conducive to the real relaxation of the situation in the Korean peninsula. It is also detrimental to the development of closer relations between the two sides.

What merits our attention is that the United States and the South Korean authorities did not accept the DPRK's proposal, and insist on staging large-scale joint military exercise in South Korea, beginning on 10 February. This is, apparently, not conducive to further contact and dialogue between the North and South. How to further push forward North-South dialogue, achieve concrete results, pave the way for a summit meeting of the two sides, and bring about a new situation for peaceful reunification -- this is an important task facing the North and South of Korea this year. It is also of interest to all people who want to see the tensions in the Korean peninsula alleviated.

ABE ADDRESSES JAPANESE DIET ON FOREIGN RELATIONS

OW271854 Beijing XINHUA in English 1843 GMT 27 Jan 86

[Text] Tokyo, January 27 (XINHUA) -- Japanese Foreign Minister Shintaro Abe, stressed today that he is determined to make the May summit of the seven industrialized countries in Tokyo a success and to make further efforts for the establishment of lasting and stable relations between Japan and China. In a speech to both houses of the Japanese Diet, the foreign minister said that Japan will do its utmost to enable the summit to fully discuss ways of cooperation among themselves in achieving a stable development of the world economy. Abe said that Japan's relationship with the United States is a cornerstone of Japan's foreign policy.

As regard to Japan-China relations, Abe said a stable foundation has already been established for friendly bilateral cooperation. In future, he added, the two countries will continue to work for lasting and stable bilateral relations through continuous dialogues and on the basis of the Japan-China joint statement, the Japan-China treaty of peace and friendship and the four principles governing their relations -- peace and friendship, equality and mutual benefit, mutual trust, and long-term stability.

Abe evaluated the recent Tokyo foreign ministers' talks between Japan and the Soviet Union as a very important step toward the of relations between the two countries and a fresh start. He said he will continue to seek talks with Moscow on the northern territorial issue and the conclusion of a peace treaty. Abe pledged that Japan will open its door wider to other nations and will make greater efforts to help developing countries, especially in extending support and offering cooperation to Southeast Asian countries. He went on to note that the world has achieved progress in economic cooperation as a result of the agreement of the group of five nations on a weaker U.S. dollar and the holding of another round of trade talks. Yet there is a mountain of problems to surmount, which include budget deficits, growing protectionism and unemployment, he added. Under these circumstances, he said, there is a lot of things for Japan to do for the peace and prosperity of the world.

NAKASONE COMMENTS ON PRC RELATIONS TO DIET

OW272013 Beijing XINHUA in English 1956 GMT 27 Jan 86

[Text] Tokyo, January 27 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone today pledged to continue efforts to ease Japan's frictions with its trading partners in the spirit of its "international" stature. In his policy speech to the 104th regular session of the Diet (parliament), which was formally reconvened by Emperor Hirohito today after a new year's recess, the Prime Minister said: "Overcoming external economic friction is an urgent task for making Japan a truly international state...and I will work steadily on this problem."

Japan's trade surplus with the United States was estimated at about 50 billion U.S. dollars last year, and it has a chronic surplus of more than 10 billion U.S. dollars with West European nations. Nakasone said his country will do its utmost to make contributions, worth of its international status, to the development of the world economy, because there will be no peace and prosperity for Japan without a peaceful and prosperous world. He stressed the importance of the Tokyo summit of industrial countries to be held in May and pledged to make this 12th seven-nation summit a success "so that it can mark the beginning of a new era of Atlantic-Pacific cooperation."

He said that to maintain and develop good and stable relations with China has always been one of the main pillars of Japan's diplomacy and his government will further its efforts to improve Sino-Japanese ties. The Japanese Government will try to seek trade balance with China while expanding bilateral economic exchanges, he added.

He described the recent visit by Soviet Foreign Minister Eduard Shevardnadze, the first by a Soviet foreign minister to Japan in a decade, as "highly significant" in improving Soviet-Japan relations. "Japan will continue to negotiate tenaciously with the Soviet Union to further improve the relationship and build relations of true stability," he said.

Saying that today's global peace and stability is based on the balance of nuclear and other forces, Nakasone urged the United States and the Soviet Union to make "drastic cuts in their nuclear arsenals." The 67-year-old prime minister also reiterated that Japan's alliance with the United States "is basic to Japanese foreign policy and further development is an important cornerstone for peace and stability in the Asia-Pacific region and all the world."

Nakasone said his government will work for the "steady implementation" of a new five-year defense buildup program, starting this year. He said Japan's security policies are designed to ensure its survival "in the harsh international climate." He added that Japan will "firmly maintain" its security arrangements with the United States and work to acquire "the minimum well-ordered and effective defense capability" to ensure its security.

He also pledged to carry out a series of reforms in the fields of administration, finance and education. The prime minister also noted that in contrast with Japan's own "zeal to assimilate foreign cultures and ideas, we have sometimes been derelict in our duty to help the rest of the world benefit from our Japanese ideas and cultural heritage." He therefore called on the country to seek "ways to show Japan off to the rest of the world and help people understand Japan better."

RENMIN RIBAO ON TRUTH BEHIND VIETNAM'S 'BRAGGING'

HK250902 Beijing RENMIN RIBAO Overseas Edition in Chinese 22 Jan 86 p 6

["Jottings" by Rong Jiu: "The Facts Behind the Bragging"]

[Text] Many people in the Vietnamese press are good at bragging. In the past, the chief editor of NHAN DAN, Hoang Tung by name, was promoted because of his cleverness at bragging. Today, the chief editor of the GUAN DOI NHAN DAN, Tran Cong Man by name, lauds the Vietnamese aggressor troops to the skies, saying how "serious" are the "setbacks" the Vietnamese troops caused to the Cambodian guerrillas in their last dry-season offensives.

However, like other trumpeters, this chief editor of the military press could not help revealing some facts in the face of the ironclad truth. Tran Cong Man said: The Cambodian guerrillas "harassed" the outskirts of Phnom Penh and Siem Reap, an important strategic point in the northwest, and other areas. This "rarely occurred" before 1984. For "security" reasons, foreigners "can no longer go" to most places in Cambodia, which were accessible to them in the past. What he said is true, but he dared not explain what had gone wrong. As a matter of fact, this is very simple. The patriotic Armed Forces of Democratic Kampuchea have gone to the hinterland to expand their operations, thus harassing the rear of the Vietnamese troops and making Vietnam afraid of having its sore spots touched by foreigners.

While referring to the current dry-season offensive, Tran Cong Man asserted that Vietnam need not "reduce its scale of combat in Cambodia." These words of his are worth pondering. Is the fact that authorities are moving troops and heavy weapons to western Cambodia, occasionally infringing on Thai territory, not enough to prove that Vietnam will on no account "reduce" the "scale" of its aggression against Cambodia? Why, then, did Tran Cong Man feel it necessary to clarify Vietnam's undoubted, fixed principle? From this remark of his, if people draw the conclusion that Vietnam has a phobia about telling the truth, Tran Cong Man will probably find it difficult to deny it!

THAI SPOKESMAN ON INDOCHINESE CONFERENCE

OW241324 Beijing XINHUA in English 1244 GMT 24 Jan 86

[Text] Bangkok, January 24 (XINHUA) -- Thailand does not recognize the ongoing "conference of the three Indo-China's Nations" nor the proposed "Indo-China's federation", Foreign Ministry spokesman Saowanit Khongsiri told a press conference here today. The conference of foreign ministers of Vietnam, Laos and the Hanoi-installed Heng Samrin regime in Kampuchea opened yesterday in Vientiane, capital of Laos.

The Heng Samrin regime cannot represent the Kampuchean people, Saowanit said. At the so-called foreign ministers' conference, he noted, the Lao people have no right to speak and the Kampuchean people have less right to speak, because their countries are under the occupation of Vietnamese troops. However, Saowanit said, Thailand will look into the joint communique issued after the conference in order to make clear Hanoi's actual attitude toward the Kampuchean issue, which has been changeful. Judging by the recent contact between Vietnamese and Indonesian officials, Saowanit said, Vietnam's attitude toward the problem remains unchanged. A country should not interfere in the internal affairs of another, he said, and Vietnam should leave the Kampuchean people to hold their election independently to determine their own fate.

JINGJI CANKAO ON THAILAND'S ECONOMIC DIPLOMACY

HK240732 Beijing JINGJI CANKAO in Chinese 15 Jan 86 p 1

["Special Report" from Bangkok by reporter Zhu Zhenguo: "Thai Foreign Ministry Energetically Develops Economic Diplomacy"]

[Text] The economic diplomacy of the Thai Foreign Ministry has played a more and more outstanding role in promoting Thailand's trade and economic relations with every country. Achievements in economic work have become important criteria for assessing the work of diplomatic personnel in the Foreign Ministry.

Last year was "a year of economic activities" for the Thai Foreign Ministry. Foreign Minister Sitthi and Deputy Foreign Minister Praphat, who is especially in charge of economic affairs, made frequent trips to foreign countries and regarded developing bilateral trade as one of the main tasks in their diplomatic activities. The Thai Foreign Ministry diplomats stationed at embassies and consulates in foreign countries worked as "salesmen" and went about cultivating new markets for Thai commodities in the countries to which they are accredited. In order to help the government solve difficulties in commodity exports, Foreign Minister Sitthi especially set up in the Foreign Ministry a "brain trust" composed of people from industrial and financial circles. Every time when he went abroad to visit foreign countries, he always brought with him a number of economic experts as advisers to offer advice and suggestions, so as to enhance the effectiveness of trade negotiations. Last year, as the EEC countries limited the import of cassava from Thailand, Thailand's cassava exports plunged into a difficult position. Therefore, Foreign Minister Sitthi led a number of cassava exporters on a visit to South Korea, resulting in a deal to export 600,000 tons of cassava products to South Korea this year. In February of last year, the United States placed an embargo on the import of textile products from Thailand, seriously hindering Thailand's apparel exports. The Foreign Ministry immediately sent a delegation headed by Under Secretary Asa Sarasin to Washington for negotiations and made the United States lift the embargo on the import of textile products from Thailand.

Last year, the Thai Foreign Ministry called a meeting of Thai diplomatic envoys to foreign countries, instructing its diplomatic missions to take expanding Thai commodity exports as a special task. In addition, the Thai Foreign Ministry also asked its organizations stationed in foreign countries to attract foreign capital and tourists.

CITIC NAMES LEGAL ADVISER IN KA WAH INVESTMENT

HK271022 Beijing XINHUA Hong Kong Service in Chinese 1007 GMT 27 Jan 86

[Text] Hong Kong, 27 Jan (XINHUA) -- Today, CITIC announced that it has appointed Baker and McKenzie Solicitors and Notaries as legal adviser on the recapitalization of the Ka Wah Bank.

Following is the English version of the CITIC announcement:

PRESS RELEASE

China International Trust and Investment Corp (CITIC)

The China International Trust and Investment Corp (CITIC) announces that they have appointed Baker & McKenzie Solicitors and Notaries as legal adviser in relation to the discussions taking place concerning their investment in the Ka Wah Bank Limited.

Hong Kong, January 27, 1986

PRC DELEGATE ATTENDS SAN MARINO CP CONGRESS

OW252022 Beijing XINHUA in English 1838 GMT 25 Jan 86

[Text] San Marino, January 24 (XINHUA) -- The eleventh National Congress of the Communist Party of San Marino (CPSM) opened here today. At the opening session tonight, CPSM General Secretary Gilberto Ghiotti delivered a speech entitled "A Role Played by Communists and Progressives in Political and Social Reforms."

Ghiotti said since the Communist Party is the ruling party, this congress should be a good chance to sum up its experience. The reductions of public deficits and unemployment, and the increase in production investment, he said, are good signs of what we have accomplished. The general secretary pointed out that his party will make continuous efforts to develop the national economy and culture, protect the environment and create more jobs.

Referring to foreign policy, he said that it is the CPSM traditional policy to uphold national independence, maintain world peace and strengthen unity among all nations. In his speech, he also demanded a negotiated just solution to the Palestinian issue and called for recognization of the Palestine Liberation Organization by all European countries.

The party congress was attended by 138 delegates representing 1,098 party members in the country. Representatives of more than 10 foreign communist parties and national liberation organizations were also attending the congress.

Wang Fu, representative of the Chinese Communist Party (CPC) and general consul of China to San Marino, today read at the congress a congratulatory message from the CPC Central Committee. The message said the Communist Party of San Marino, with its glorious tradition of struggle, has made continuous efforts to promote national economic, social and cultural development and maintain world peace. "We believe that the traditional friendship between our two parties and peoples will certainly be developed further," the message stressed.

Founded in 1941, the Communist Party of San Marino won 15 parliamentary seats in the 1983 general election. At present, the three-party coalition -- the Communist Party, the Socialist Party and the Unitary Socialist Party -- is in office. San Marino is a small republic on the Adriatic Sea in north central Italy with a population of about 22,000.

USSR DENIES ESPIONAGE CHARGE OF BRITISH MAGAZINE

OW230838 Beijing XINHUA in English 0702 GMT 23 Jan 86

[Text] London, January 22 (XINHUA) -- The Soviet Embassy today denied the claim of a British defence magazine that Soviet-trained agents had infiltrated a group of anti-nuclear movement campaigning outside an England Air Force base. A statement issued by the embassy said the report in JANE'S DEFENCE WEEKLY was "malicious slander... an attempt to arouse anti-Soviet hysteria and incite feelings of mistrust and animosity towards the Soviet Union."

The report in the magazine published today quoted unidentified Soviet defectors as saying as many as six agents had infiltrated the group of women who, for the past four years, have been camping outside the Greenham Common base to protest the stationing there of U.S. cruise missiles. Last September, the Soviet Union and Britain each expelled in a tit-for-tat struggle 31 diplomats, businessmen and reporters on charges of espionage.

YAO YILIN MEETS, FETES MOZAMBICAN VISITORS

OW241328 Beijing XINHUA in English 1316 GMT 24 Jan 86

[Text] Beijing, January 24 (XINHUA) -- Yao Yilin, member of the Political Bureau of the Chinese Communist Party Central Committee, met with Marcelino Dos Santos, member of the Political Bureau of the Liberation Front of Mozambique, his wife and their party here this evening. Yao briefed Dos Santos on China's rural economic growth.

After the meeting he gave a dinner in honor of Dos Santos, who is also secretary of the Permanent Commission of the People's Assembly, and his party. Dos Santos arrived here this morning on a vacation tour. This afternoon he had a discussion with Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

Li Xiannian Hosts Visitors

OW271332 Beijing XINHUA in English 1317 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- Chinese President Li Xiannian met here this evening Marcelino Dos Santos, member of the Political Bureau of the Liberation Front of Mozambique, and his wife. Li exchanged views with Dos Santos on the present situation in Africa.

Li asked Dos Santos to convey regards from Chinese leaders Hu Yaobang, Deng Xiaoping and Zhao Ziyang to Mozambican President Samora Moises Machel. Dos Santos conveyed greetings from the Mozambican president to Li and other Chinese leaders. The Chinese president hosted a dinner for the visitors after the meeting. Lin Jiamei, wife of the Chinese president, and Juscelina Machel, daughter of the Mozambican president, were present. The Mozambican visitors are leaving here tomorrow for Shanghai and Guangzhou in southern China.

SIERRA LEONEAN PRESIDENT RECEIVES MINISTER

OW260748 Beijing XINHUA In English 0642 GMT 26 Jan 86

[Text] Freetown, January 25 (XINHUA) -- President J. S. Momoh said today Sierra Leone treasures the existing friendly relations with China and hopes to further develop the friendship and economic cooperation between the two countries. The Sierra Leonean president told Chinese Minister of Forestry Yang Zhong the Chinese people are Sierra Leone's best friends who have helped his country at the critical moment of development.

Minister Yang sent by the Chinese Goverment to attend the inauguration ceremony of the elected Sierra Leonean president delivered a congratulation message from Chinese President Li Xiannian. While stressing the desire of the Chinese Government and people to further enhance the bilateral friendship and cooperation, the representative of the Chinese Government said he sincerely hoped the government and the people of sierra Leone will continue to achieve successes on the road of national development. Present at the meeting were Second Vice-President of Sierra Leone A.B. Kamara, Foreign Minister A.K. Koroma and Chinese Ambassador Luo Jiahuan.

NEW CCPIT HEAD JIA SHI MEETS TUNISIAN VISITORS

OW280942 Beijing XINHUA in English 0902 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- Jia Shi, chairman of the China Council for the Promotion of International Trade (CCPIT), met Mahmoud Zerzeri, president of the Chamber of Commerce of Tunisia and his party here Monday. Both sides expressed the desire to further economic and trade relations between the two countries.

Jia Shi, former vice-minister of foreign economic relations and jorade, replaced Wang Yaoting as CCPIT chairman recently.

ZHENG TUOBIN, GABONESE MINISTER DISCUSS TRADE

OW251136 Beijing XINHUA in English 1049 GMT 25 Jan 86

[Text] Beijing, January 25 (XINHUA) -- Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin held talks with Gabonese Minister of Water Resources, Forests and Reforestation Herve Moutsinga here this morning. The talks centered on the development of bilateral trade in timber and cooperation in tree felling and sea fishing as well as fish breeding.

PDRY CABINET MEETS; NASIR MUHAMMAD MASSES TROOPS

OW270800 Beijing XINHUA in English 0644 GMT 27 Jan 86

[Text] Djibouti, January 26 (XINHUA) -- Democratic Yemen's new Cabinet met for the first time today amid reports that former President 'Ali Nasir Muhammad was massing troops in his home province for a "showdown battle" with the rival forces. The Cabinet meeting was chaired by former Prime Minister Haydar Abu Bakr al-'Attas, who was appointed provisional president by the Yemen Socialist Party leadership Friday, according to radio Aden monitored here today. The radio report did not identify the ministers who attended the meeting but said those at the session discussed ways to resume production and water and electricity supplies, and to resettle the homeless residents in Aden, the war-torn capital of Democratic Yemen. A technical committee was also set up at the meeting to assess demages caused by the 12-day fighting and mapped out plans for reconstruction, the radio said.

Al-'Attas returned to Aden from Moscow Saturday when the situation in the capital reportedly was returning to normal. In a statement upon his arrival, he said he was satisfied by the outcome of talks with Soviet leaders. Meanwhile, Nasir Muhammad was reported to have mustered a 40,000-strong force of regulars and tribal warriors at his hometown in the Abyan Province east of Aden for what diplomats in Sanaa described as an "imminent showdown" with the rival forces.

In Sanaa, capital of neighboring Arab Yemen, one Arab diplomat said Nasir Muhammad has warned the opponents to lay down arms, or risk a counter offensive by Wednesday. The diplomat said the ultimatum was broadcast over a makeshift radio believed to be operating from the Abyan Province, 50 miles (80 kilometers) east of Aden. The radio quoted Nasir Muhammad as saying "our forces will march on Aden if they do not lay down their arms and return to the barracks by Wednesday."

In another development, the United Arab Emirates' newspaper AL-KHALI said the Soviet Union was providing the new leadership in Aden with unspecified numbers of military planes and tanks and ammunition. The Soviet Union has a air base in the Hadramawt Province and another base near Aden. According to reports from Aden, the new leadership has pledged to maintain relations with the Soviet Union and to continue efforts to improve ties with other Arab countries. The reports said Al-'Attas met Soviet Ambassador Vladislav Shukov and told him that Soviet support was important for the country's development. They also discussed ways to stabilize the situation.

Foreign Minister 'Abd al-'Aziz al-Dali, in a meeting with the Kuwaiti ambassador, assured him that his country would continue its policy of improving relations with other Arabian Peninsula countries, the reports said. However, one diplomat in Djibouti said Democratic Yemen was now virtually divided with the Abyan, Shibrhoh and Lahij Provinces under Nasir Muhammad's control and the other three provinces in the hands of the new leadership.

BUREAUCRATISM BLAMED FOR ECONOMIC CRIMES

HK260520 Beijing RENMIN RIBAO Overseas Edition in Chinese 26 Jan 86 p 2

[Commentator's article: "The Harm Done by Bureaucratism as Viewed From Economic Crime"]

[Text] The press and radio have recently reported a number of cases of economic crime and swindling in particular. The seriousness of some cases, which involves a huge sum of money, has shocked the public. The leading cadres of some localities and units, who are imbued with bureaucratism, have given the green light to these criminal offenders, thus causing enormous losses to the state and people. This matter deserves our attention.

Although the swindling activities present a false impression, they cannot withstand careful examination. So long as we concentrate our efforts on investigations and studies, they can easily be exposed. Some leading cadres have failed to conduct investigations and studies and have relaxed their vigilance against the illegal offenders. Consequently, they have done the foolish thing of helping the bad elements to do evil. Du Guozhen disguised himself as a "god of wealth" and committed crimes by performing his swindling tricks. Without making any investigation and study, the leading cadres of the Fuzhou government, the Fujian Federation of Trade Unions and the credit department of the Fuzhou branch of the Bank of China gave credence to his false account and gave the green light to his speculative and swindling activities. They agreed to engage in a joint business with him and prepared documents for him to start business, or publicized for him and provided places for him to commit crimes, or granted him funds with false supply and marketing contract papers. Du Guozhen could get more than 200 million yuan within a short period of only a few months because he relied to a great extent on the assistance of bureaucratism.

In China, laws and regulations stipulate in explicit terms business registration, the granting of bank loans, export trade, and so on. However, some of our leading cadres have neglected their duties and failed to follow the rules and regulations. A swindler named He Jiaqing asked the secretary of the Chengbei District CPC Committee of Puqi County, Hubei to offer him a license for running a steel rolling mill. According to regulations, one must have funds, raw materials, factory building, equipment, and guarantees of energy to run a mill. However, He Jiaqing had nothing to start with. How could his application for running a steel rolling mill be approved? With the personal influence of the leading cadres of the Chengbei District, a responsible comrade of the county CPC Committee ordered the industrial and commercial bureau to offer He a business license. Hence, He Jiaqing made use of the name of the "steel rolling mill" to swindle loans totaling over 1.8 million yuan.

It has always been our important principle to lay stress on politics while making use of personnel. However, some leading cadres have ignored and forgotten this principle. They neglected to examine the people they have chosen. As a result, they regarded the unprincipled people and even the offenders as good cadres and paid no heed to the serious problems reported by the masses involving these people. Li Changlan, a responsible person of the Yuanlongge Village post office in Daxing County, Beijing, took advantage of her post and embezzled more than 40,000 yuan from 1973 to 1981. As her practices were not exposed, she was chosen as an "advanced worker" of the county and municipal post offices and "outstanding party member" of Daxing County and was promoted to deputy director of the Daxing County post office. Some people suspected her because of her extravagant habits. But the leading cadres took no notice of this mass opinion, which actually sheltered her criminal activities. The materials of almost all major economic criminal cases and particularly swindling cases show that taking no heed of politics while making use of personnel has become a prominent question in a number of localities and departments, the economic departments in particular.

Bureaucratism is a chronic and stubborn disease. It would be impossible to eliminate bureaucratism without determination. Even with determination it would be impossible to eliminate bureaucratism for many years. Yet there are some cadres who stick to their old way of doing things and act as bureaucrats and overlords. They lack the rudimentary sense of responsibility to the party and people and have even neglected their duties. The lack of determination and ineffective measures adopted by some party and government leading organs in dealing with bureaucratism is the main reason that has encouraged such practices. The following phenomena have been common in recent years: Although some cadres have made serious mistakes, they are not sternly dealt with. Some are lightly punished or criticized. Those who have committed crimes owing to dereliction of duty do not have to bear responsibility for their crimes. Furthermore, they are punished according to party and administrative discipline rather than law. It is correct to educate and criticize those who have committed bureaucratic mistakes in general. However, those who have made grave mistakes in bureaucratism, thus causing enormous losses to the state and people, must be punished according to party discipline and state laws. Those who should be expelled from the party and removed from their posts must be dealt with accordingly, and those who have committed a crime should bear the responsibility according to law. Only in this way can we awaken the deaf, heighten the vigilance of those who have neglected their duties, and encourage the vast numbers of party members, cadres, and state functionaries to conscientiously perform their duties.

LESSONS LEARNED IN DU GUOZHEN CASE ANALYZED

HK240830 Beijing RENMIN RIBAO in Chinese 22 Jan 86 p 4

[Article by Sun Qimeng: "Do Not Sum Up a Lesson Lightly as 'Neglecting Class Struggle'"]

[Text] Based on a report in FUJIAN RIBAO, the 9 January issue of RENMIN RIBAO carried a news item on the Ningde Prefectural CPC Committee and Commissioner's Office in Fujian summing up the lessons of the case of the swindler Du Guozhen, saying "they all reviewed and drew lessons from the incident in three respects." The bitter lesson in the first respect was that "attention was attached to economic work only, while neglecting class struggle."

It is correct to draw lessons from mistakes. The leadership of Ningde Prefecture holds that "it is imperative to draw a lesson actively, which should not be dealt with passively," it is necessary to persist in the principle of invigorating the domestic economy and opening up to the outside world, which is also correct. However, the lesson they have drawn in the first respect is rather confusing. In the event that it might exert some bad influence, I would like to pose a question and try to analyze it.

First, in their own words, "what they had on their minds, what they saw, and what they had in their hands was money and encouraging cadres to make money; and that those who had made the most of it were the able." Thus Du Guozhen had taken advantage of this "leak," and cheated them into rendering services for Du the criminal. How could they have such erroneous ideas and commit such mistakes? It is said the cause lies in "the one-sidedness in their ideology," "as the work focus had been shifted to economic construction since the 3d Plenary Session of the 11th CPC Central Committee," "they forgot that class struggle will continue to exist in certain realms over a long period, and relaxed their vigilance." Have they pinpointed the root cause of their mistake? It seems questionable or at least it was not done correctly. They seemed to have affirmed they were "attaching importance to economic work only," when the one-sidedness in their ideology was regarded as "neglecting class struggle." But, in their own words, "they were looking forward to money in everything," which has nothing in common with the economic work stressed since the 3d Plenary Session of the 11th CPC Central Committee. Likewise, it is also groundless to make "neglecting class struggle" the root cause of "looking forward to money in everything."

Therefore , they should first ask themselves if they have studied in earnest the nature, purpose, principles, and policies of economic work the party has focused on? Do they have a clear idea of them or not? If they have, they should seriously examine themselves as to whether they have such problems as "forgetting righteousness when they see their own interests near at hand, losing the party spirit of communists, running counter to the party's purpose and program" as pointed out by the office of the Commission for Guiding Party Rectification Work under the CPC Central Committee? In short, they should attach attention to, grasp, and solve whatever problems in their true nature. Failing to examine themselves seriously in these respects, and to draw lessons from them, but summing up their problems in general as "neglecting class struggle" will not accord with the facts, and will not explain the crux of the problems; therefore, it will be very difficult genuinely to fulfill the aim of learning from past mistakes to avoid future ones.

Superficially, the leading cadres of Ningde Prefecture are not for "taking class struggle as the key link," but in reality, they have not genuinely and thoroughly negated this "key link." Does class struggle still exist in our economic realm? Class struggle will continue to exist in certain realms over a long period; this is positive. Back in 1979, Comrade Deng Xiaoping pointed out: "In socialist society, counterrevolutionaries, enemy spies, all kinds of criminals sabotaging socialist order, other bad elements, and new elements of the exploiting class engaged in graft, embezzlement, and speculation will continue to exist, and such phenomena will not be entirely exterminated over a long period of time. Our struggle against them cannot be the same as the struggle of one class against another in history (it is impossible for them to form into an open, complete class). However, it is still class struggle of a peculiar form, or the remainder of class struggle in history emerging in a peculiar form under socialist conditions." We must study social phenomena with such a Marxist class concept. In this way, we will not be led to being one-sided in ideological understanding on the question of class struggle during the present phase, or neglecting it or inflating it.

If the lessons are summed up in general as "neglecting class struggle," then we should like to ask "How we are to guide our actions with this lesson in the course of persisting in reform and the principle of opening up and invigorating the domestic economy?" Should we be vigilant against the "new trend of class struggle" in everything? Will we not go back to the old track of "grasp class struggle, and every problem will be solved"? If that is the case, we will be going back to the mistake of enlarging class struggle. We should by no means let it happen. It seems that we should establish a due concept of discipline, a concept of legal system, and a concept of serving the people heart and soul, and do away with any ideas and conduct of abusing power and bureaucratism on the one hand, and on the other, severely crack down on economic criminals and other criminals. By no means should we be lenient toward them. Only then, will it be possible to unfold our normal activities and do a good job in our economic work in implementing the principles of reform, opening up, and invigorating the domestic economy.

COMMENTATOR ADDRESSES PURPOSE OF WAGE REFORM

HK240716 Beijing GONGREN RIBAO in Chinese 18 Jan 86 p 1

[Commentator's article: "Correctly Understand the Purpose of the Wage Reform"]

[Text] The enterprises' wage reform is gradually being carried out. What is the purpose of the wage reform? This is an important question about which the leaders of enterprises and the broad masses of workers should be clear. For a long time, there have been a lot of disadvantages in our country's system of distribution of workers wages, and all of us have deeply felt this problem. The ongoing reform of the wages of distribution system and the implementation of the principle of distribution according to work are needed for the building of the four modernizations and demanded by the broad masses of workers.

In recent years, along with the progress of the reform, many enterprises have stopped the practice of "eating from the same big pot," and have improved their method of distribution. However, this is only the initial reform. Generally speaking, many aspects of the wage relations in the factories and enterprises need to be rationalized. The main purpose of the wage reform is to further implement the principle of distribution according to work, create conditions and lay a good foundation for the rationalization of wage relations in the enterprises, and gradually rationalize the distribution between mental and manual labor, between simple and complicated labor, and between strenuous labor and general labor. Of course, it is an extremely complicated task to rationalize wage relations completely and establish a complete set of scientific and rational wage systems. This work will take a long time and cannot be completed in one wage reform. The present wage reform aimed at rationalizing wage relations is only an initial one, but this step is very important. The success of this first step will lay a good foundation for the further reform of the wage distribution system in the future.

Over the past few years, workers' wages have been increasing very fast. It is somewhat like paying an old debt which is quite necessary. However, the increase in the consumption funds and the increase in the workers wages must conform with the increase in national income and the increase in labor productivity, otherwise our country's economic development will lack follow through, and will probably become prematurely senile, which would not conform with the fundamental interests of the people of the whole country, and of the broad masses of the workers. So, the increase in wages must conform with our country's economic strength. Although the wages of most of the workers will be increased because of the wage reform, the rate of increase will not be too big, and the long-standing problems concerning wages will not be solved at once. All the workers must regard the wage reform by taking into consideration the overall situation of our country's economic reform and development, and actively show concern for, support, and participate in the wage reform so as to ensure the smooth progress of the reform. If the wage reform is successful, the people's enthusiasm will be aroused, and production will develop fast, the long-term interests of the working class will be secured, and the living standards of the workers will continue to be improved and raised. We must attach utmost importance to the reform, and pool the wisdom and efforts of all the people in carrying out the wage reform so as to successfully accomplish the task of the wage reform.

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PLANT DIRECTOR'S IDEOLOGICAL WORK SKILLS LAUDED

HK250342 Beijing RENMIN RIBAO in Chinese 22 Jan 86 p 1

[Commentator's article: "Make Ideological and Political Work Full of Vitality"]

[Text] Ideological and political work is the science of influencing people's minds. So this work must be rich and colorful in its forms, full of vigor and creativity. At present, we are undergoing some major historical changes, and new things and new questions keep emerging. How will we adapt this work to the requirements of the new situation and add creativity and vitality to our ideological work? Many people are considering this question and are exploring ways to solve this question. The whole party has also paid attention to this question. In recent years, many report groups composed of heroes and models have given speeches among the masses. They used their personal experiences to tell people about lofty ideals and the sense of discipline. Many leading cadres have also gone among the masses to hold candid and frank talks with people in all walks of life. These are all effective methods and have enriched the content of ideological and political work. The masses also welcome these vivid forms. Today, this newspaper reports about the experience of Zhang Mingrui, party branch secretary and director of the Dongsheng Chinese medicine plant, in handling ideological and political work, and it is sure that his story will help people greatly.

The characteristics of Zhang Mingrui's ideological work can be summarized into two points: First, making friends with people; and second, convincing people by telling the truth.

In order to make a socialist enterprise a success it is important to strengthen management, improve the economic responsibility system, strictly enforce the regulations and rules, and act according to economic laws. In our opinion, however, it is more important to attach high importance to people -- the most active factor of productive forces. The vigorous and creative socialist cause must be based on the joint efforts of the people. People are not machines. They have thoughts, feelings, desires, and worries. No computer program can make people operate mechanically. An important purpose of our ideological and political work is to guide our workers to pursue lofty ideals and to cherish higher aspirations in their work and life so as to arouse their enthusiasm for creating a bright future as masters of their fate. Zhang Mingrui treats all of his workers as his relatives. He is always thoughtful toward them and shares their concerns and worries. He often talks with the workers as if talking with relatives and friends to help them solve the questions on their minds in a pertinent way. So his ideological work always sends warmth to people's minds and shows his loving care for the people. He respects people's feelings and understands other people's positions. He never puts on airs as a leader with a superior position. The masses feel that he is accessible, amiable, and respectable. There are no mental barriers between this factory director and his workers. They can smoothly exchange their ideas and feelings. That is the foundation for achieving satisfactory results in ideological work.

If we want to do appealing ideological work, we should move people with sincere feelings and convince people by reasoning. Zhang Mingrui not only shares common feelings with the masses but also raises people's consciousness by reasoning. Yang Genwang, a young worker in his plant, was deeply moved by his remarks about being a good and useful man. Yang accepted his instructions and became a hardworking and promising young man. This reflected the effectiveness of Zhang Mingrui's arguments, which in fact are known to all people. But why are the workers in his plant so glad to accept his advice? This is because he can vividly integrate ideological education with people's daily activities. When talking about production, work, study, family, marriage, recreation, and other things, he skillfully conducts education in ideals, morals, discipline, and policies among the masses. When helping people solve questions in their minds, he also settles problems in actual work and in people's livelihood. So his ideological work is serious but not rigid, and is candid and conforms with the party's principles. People can learn a lot from his instructions and can widen their visions. So workers treat him as their elder brother who can always see farther, and they are willing to accept his instructions without reservation.

Forming close ties with the masses and convincing people through reason are the fine traditions of our party in the handling of ideological and political work. During the years of the revolutionary wars, officers and men in our army shared weal and woe and lived on intimate terms with one another. Cadres always showed concern for soldiers and helped soldiers solve problems in mind. Although the conditions were extremely hard, revolutionary ranks were brimming with warm feelings like in a big family; the people were full of revolutionary enthusiasm. This was an important factor in how our party was able to overcome all difficulties and win victories under the extremely hard conditions. However, the fine traditions were seriously undermined in a past period. In the years when "political work could overwhelm all other work," a report might cause a political incident; an article might stir up a political storm; and a slogan might make some people forfeit their lives...political work in those years was full of the smell of gunpowder and lacked human feelings. Since the downfall of the "gang of four," the methods and ways of political and ideological work have been changed, and it can no longer be used as a means of insulting people. The method of harsh criticism has also been discarded.

However, we need to make further efforts in order to restore the fine traditions. Now, some people's political instructions are still empty and hard to understand. It is hard for the masses to accept their indoctrination when it is not convincing or effective. The reason for Zhang Mingrui's successes lies in the fact that he proceeds from today's realities, carries forward the party's fine traditions, works meticulously, builds close friendships with his workers, and develops a united and harmonious atmosphere in his plant. All this is necessary to make a socialist enterprise a success and to modernize our country.

From the example of Zhang Mingrui, we see a fresh and vigorous trend in our ideological and political work and see the respectable and amiable image of our political cadres. Of course, Zhang Mingrui's plant is a small one with merely 100 workers; it is hard to require the leaders of big enterprises to imitate his practice. However, his work methods and work attitude can be taken as a good example for all people. Leaders in all departments and units and comrades in charge of party affairs and political work should, like Zhang Mingrui, show concern and loving care for people, respect other people's feelings, sincerely help others, accurately determine what people are thinking so as to effectively do ideological work and to make their ideological instructions acceptable and convincing. Then, our party style and our socialist conduct will be more rapidly and obviously improved.

RENMIN RIBAO COMMENTS ON CONTROVERSIAL NOVEL

HK230855 Beijing RENMIN RIBAO in Chinese 20 Jan 86 p 7

[Article by Yi Ping: "How To Evaluate the Novel 'The Other Half of Man Is Woman'"]

[Text] "The Other Half of Man Is Woman" is Zhang Xianliang's work following his previous novel "The Tree in the Desert," both belonging to a series of novels Zhang plans to write. After this novel was published in the fifth issue of SHOUHUO magazine in 1985, it evoked strong repercussions among readers and critics. WENYI BAO, WENHU BAO, BEIJING RIBAO, and QINGNIAN PINGLUNJIA have successively published comments and critical articles on this novel. Some institutions also held forums to discuss the novel.

As for the novel's ideological content and social significance, some people say that it "seriously, bravely, and deeply exposes the cruel suppression of normal human nature by feudal autocracy and asceticism through a shocking story," and it "not only profoundly recalls and condemns that inhuman period, but also sincerely and ardently taps the elements that can recover human nature." But some people warn that the writer should "use refinement to replace vulgarity and use profoundness to replace superficiality." They hold that this book will have an unhealthy social influence. "This novel deepens rather than relaxes our worries about the crisis in our serious literature."

As for the description of sexual relations in the novel, some people say that the novel includes too much explicit description in this regard, which dilutes social relations. Others hold that the novel "exposes, condemns, and analyzes the special atmosphere in that period that caused the distortion of people's sexual psychology, which is a basic element of human nature. The thriving vitality, the burning sexual passion, and people's piquant and frank character under unpropitious circumstances are all the elements of healthy human nature, and these human feelings present a protest against the dark years." They affirm that the novel "positively describes people's self-struggle and their body-and-soul struggle to a profound extent unprecedented in China's modern literature.

Some articles affirm the vivid and colorful artistic feelings of the author, but at the same time they also point out that some surrealistic rational "sublimation" in the novel is harmful to the authenticity of art. This shortcoming is expressed in the contradictory character of the hero, Zhang Yonglin: "His sober and rational mind finds it hard to exist in harmony with his burning sexual passion." "There is no necessary media to link the two extremes of man's natural sexual passion and his serious political and economic ideas." So the story appears a bit farfetched. Some people say that Zhang Yonglin "is merely a hypocrite created by a hypocritical period." Some commenting articles said that it is regrettable to see that the author's vivid and rich feelings were limited and narrowed by "rigid and excessively clear reasoning," and the authenticity of art was spoiled by this.

Some articles expressed regret about the last part of the novel, saying that the author could not accurately describe the mentality of the hero. At the end of the story, Zhang Yonglin tried to free himself from married life under the control of a woman. "This seems to be too unreasonable."

Zhang Xianliang, the author of the novel, openly said during his recent visit to the United States that the criticisms of his works "are normal, and such literary criticism should exist in any country where literature is thriving. Authors should welcome such criticism."

CHALLENGES FACING MARXIST PHILOSOPHY DETAILED

HK230853 Beijing RENMIN RIBAO in Chinese 20 Jan 86 p 5

[Article by Tao Delin: "Marxist Philosophy and Reform" -- excerpted from inaugural issue of Guangdong's XIANDAI ZHEXUE [MODERN PHILOSOPHY]]

[Text] How should Marxist philosophy serve reform? This is a question in which many people are interested. I think that in order to better serve reform, our philosophy theoretical work should first be reformed.

Now people are talking about the fact that Marxist philosophy has encountered some serious challenges or some difficulties. I think that this mainly refers to two aspects. On the one hand, modern science and modern life have raised a series of questions that did not exist in the past, and Marxist philosophical theory has not given convincing answers to these questions. On the other hand, some non-Marxist schools of philosophy have used viewpoints contradictory to Marxist philosophy to answer these questions or have directly attacked Marxist philosophy by name, but Marxist philosophy has not been able to stage successful refutations of these non-Marxist philosophical viewpoints. I do not quite agree with regarding the first state of affairs as a "challenge," because Marxist philosophy itself is closely related to science and people's actual life and neither side will "challenge" the other side. The fact is that science and actual life constantly raise new questions for Marxist philosophy.

As far as the second state of affairs is concerned, it can be regarded as a kind of challenge. Things in both aspects always exist, but we simply turned a blind eye to these facts in the past. Are these things good or bad for us? In my opinion, they are certainly good things. A science will certainly meet new questions and difficulties in the course of its development. Is it not a fact that mathematics, physics, and biology have also encountered difficulties in the course of development? Is it not precisely these difficulties (or "crises") that have promoted their advances? Without dealing with difficulties continuously, the life of a science will come to an end. Religions do not encounter any difficulty, because they never try to deal with any questions which are difficult for them. Because of the limitations of application, some scientific theories will not meet any new questions they cannot solve.

For example, no one expects Newton's mechanics to explain the phenomena that fall into the category of the unified field theory, nor will people attack Newton's mechanical theory for its failure to explain the questions of the unified field theory. Now people require Marxist philosophy to explain new questions, and some people criticize it for its failure to successfully answer these questions. This simply shows that Marxist philosophy has close ties to practice and is a developing science full of vitality. The moment it encounters a difficulty is in fact the eve of its major development. Why do we not regard this as a good thing? It is not terrible whatever "challenges" and "difficulties" Marxist theory may encounter. The terrible thing is that we do not acknowledge the existence of facts and do not take action to meet the "challenges" and to overcome difficulties so as to develop Marxist philosophy. Do we have problems in this regard? I think so. We are not satisfied with our own work, and we feel anxious when it is necessary to reform our philosphical theoretical work in order to adapt our theory to the needs of the overall social reforms. We should review and examine our work in connection with our modernization drive, with changes in the world, and with future development so as to acquire a correct evaluation of the situation and to improve our work.

ZHONGGUO XINWEN SHE REFLECTS ON HU FENG'S DEATH

HK210739 Beijing ZHONGGUO XINWEN SHE in Chinese 0635 GMT 15 Jan 86

[Report by ZHONGGUO XINWEN SHE reporter Lin Hua: "After the Death of Hu Feng"]

[Text] Winter sun shines into the room which was Hu Feng's study when he was alive. In the room, the leaves of the potted plants are freshly green and full of vigor. On the wall hangs a portrait of the old man who led half of his life in frustration. On a table there is a black cinerary urn, on which are inscribed in small characters "Though I had to die nine times, yet I should have no regret, since I am doing what I think is good!" and "Hu Feng (Zhang Guangren) 2 October 1902 - 8 June 1985."

Postponed Memorial Meeting

Half a year ago when Hu Feng died of illness, that study was filled with an atmosphere of grief. A young reporter and I came to gather news and talked sadly with Hu Feng's two sons and his daughter, to find out and report something about Hu Feng's life. For some time, and for various reasons, the memorial meeting for Hu Feng was postponed. People showed concern about this and Hu Feng's relatives felt even more uneasy.

Not long ago, Hu Feng's daughter Zhang Xiaolan called by phone to tell me that her father's memorial meeting would be held in mid January this year and the memorial speech had already been written. When I visited the family again, I saw that their previous grim mood had been swept away and they were much more relaxed when talking with me.

A Definite Conclusion at Last

Zhang Xiaogu, Hu Feng's eldest son and a teacher at the Nanjing Aeronautical Institute, happened to be in Beijing on business and was thus able to attend his father's memorial service. He said that although the memorial meeting was postponed, there was, after all, a correct and definite conclusion after his father's death. With the attitude of seeking truth from facts, the CPC Central Committee confirmed Hu Feng's contribution to revolutionary literature and art and his constant and firm faith in the party, the people and socialism. This would console his dead father's soul.

I inquired about the work of sorting out and publishing Hu Feng's literary works. Zhang Xiaogu told me that the "Collection of Hu Feng's Commentaries" had already been reprinted (in three volumes) at home and that soon the "Collection of Hu Feng's Essays," five collections of Hu Feng's poems and a collection of his translations will be reprinted. They hope that in the future Hu Feng's collected works will be published.

Grandson Zhang Ben

As we were talking, a baby toddled out of a bedroom and Hu Feng's youngest son Zhang Xiaoshan took it into his arms. Xiaoshan is 38 this year, and the baby is his only son. His elder brother Zhang Xiaogu is 51 this year and has two sons, of which the eldest is only 10 years old. All Hu Feng's five grandchildren are grandsons.

"Don't you know that even a tiger often looks back at its baby tiger when it roars fiercely." Hu Feng's youngest grandson was born a few months before he died. He Feng was happy to see his "baby tiger," and named him Zhang Ben. He said that there were few strokes in the character of his name so it was easy to write, and the name had good implications. Today, the baby's grandfather has already left this world for over 200 days, and the baby Zhang Ben, is already 15 months old. His fresh young face is so lovely that it adds warmth and pleasure to that peaceful family.

A Grandson Follows Hu Feng's Instructions and Majors in Engineering in College

"Do not major in arts, do not major in arts." In his lifetime, Hu Feng enjoined his grandson who was soon to take his entrance examination, not to major in arts. Zhang Xiaofeng said that last fall her eldest son entered college to major in engineering related to printing machinery. None of Hu Feng's descendants has ever majored in the arts. His eldest son Xiaogu majored in engineering in Nanjing in the early 1950's. His youngest son Xiaoshan previously settled in Nei Monggol as a peasant and entered the Chinese People's University 5 years ago to major in agricultural economy. Now, he is working in this field at the Chinese Academy of Social Sciences. His daughter did manual labor for a long time in a farm in the suburbs of Beijing. She took the college entrance examination to major in science or engineering 20 years ago but was not recruited. After Hu Feng was rehabilitated and returned to Beijing to take the post as a member of the Standing Committee of the CPPCC National Committee, she was transferred to the post of secretary to her father at the Art Research Institute of the Ministry of Culture. She said that after Hu Feng's death, the task of sorting his work fell to her.

Meizhi, Hu Feng's Wife, Is Grateful

Hu Feng's widow Meizhi, 72, was weak and slim but looked elegant. In the 1930's, she joined the Federation of Leftwing Writers together with Xiao Hong and Xiao Jun. In the 1950's when Hu Feng was wrongly punished, she was also put into prison for many years and suffered much hardship. The old women has retired and now plays with her grandsons, spending her older years in peace. But she is a writer after all, and she still persists in writing something every day. A collection of poems she wrote for children 30 years ago has already been published by the Hunan Children's Publishing House. After Hu Feng's death, she has spent relatively more time in writing her memoirs to fulfill a task that Hu Feng left unfinished. When the elderly Meizhi showed me out of the living room, she said with emotion that for all his life Hu Feng pursued brightness and loved his motherland and had felt no regret in doing so even though he would have been put to death nine times for that. That spirit of his was confirmed in the memorial speech and the conclusion is just. She felt boundlessly grateful for this.

YANG SHANGKUN ON WRITING MARTYRS' BIOGRAPHIES

HK220752 Beijing GUANGMING RIBAO in Chinese 10 Jan 86 p 1

[Article by Yang Shangkun: "Writing Biographies for Revolutionary Martyrs -- Speech at the Third Meeting of Editorial Work on Biographies of Revolutionary Martyrs Held on 11 December 1984" -- originally carried by ZHONGHUA YINGLIE [CHINESE HEROES AND MARTYRS] magazine, published 5 January]

[Text] The first volume of "Biographies of Revolutionary Martyrs" will be published very soon. I wish to extend my warm congratulations.

How many martyrs were there during the Chinese revolution? I am afraid there were tens of millions. It is not an easy job to write a biography for each one of these tens of millions of martyrs. It is better to choose from among them one thousand or more whose deeds were representative of the exploits of the martyrs. Although we do not write biographies for all martyrs, it is of great significance to gather information about the deeds of the martyrs for whom we will not write biographies, because in so doing, we can find supporting evidence for the deeds of the martyrs whose biographies we will write. We may also find still more representative figures. Without the activities of these people, there would not be history. Writing biographies of revolutionary martyrs is a matter of great significance. Comrade Li Weihan talked about this question before he died. He was very enthusiastic in this matter. It is a pity that he has left us.

In writing biographies of the revolutionary martyrs, we must apply the historical-materialist viewpoint, neither exaggerating their role nor denying their contributions. We should record their merits and demerits as they were. Everyone has his shortcomings, and no one is perfect. The biographies of the martyrs must be accurate and correct so that these martyrs will be justly appraised. Comrade Chen Yun has given instructions on how the events in northeast China should be recorded.

With regard to Lin Biao, we should say that he played a positive role in the war of liberation in northeast China. As a matter of fact, he fought many battles and was a fighting general in the campaign against "encirclement and suppression" during the civil war. During the criticism against the Lin Biao and Jiang Qing counterrevolutionary cliques, he was described as knowing nothing about war. This was not true. How could he serve as commander of an army group for many years if he knew nothing about war? He did commit a big mistake later. His right and wrong should be recorded as they were. It is incorrect to write him out of history as if there never was such a person simply because he did bad things during his last years. Chairman Mao made a similar appraisal of Chen Duxiu, saying that Chen did meritorious service in founding the party but later was really very bad and turned against the party. Zhang Guotao also made contributions during the early period of the workers' movement but became a renegade later. Such persons are numerous. Some made contributions toward the party but later turned bad. Some were no good during the early period but became good later. That is why the comrades doing biographical work must apply the historical-materialist viewpoint in writing biographies. Comrade Li Weihan said that accounts must be "accurate." Those who made positive contributions toward the Chinese revolution but turned bad later must especially be justly appraised, otherwise history will be distorted. It is hoped that the comrades will pay particular attention to this point.

I have not read many biographies, and I have read only a few memoirs because I have been busily engaged. Some memoirs have exaggerated some persons and me, and many accounts do not tally with facts. This is pardonable because one is always subject to limitations and if one does not put oneself in a correct position in making observations, one can hardly avoid making mistakes.

Comrade Li Weihan set an excellent example in this respect. In his several memoirs, he cited historical data and gave accounts of how the events had taken place. He also summed up experience and made self-criticism. These memoirs were well written. Nie Rongzhen's memoirs have been published in three volumes, justly appraising many historical events. "Peng Dehuai's Accounts in His Own Words" was written while he was being persecuted and in the hospital, where no reference material was at hand, so some of his accounts are inaccurate. I once discussed this book with a few comrades. We agreed that because this book was written under special circumstances, his examination of his mistakes was made under duress.

A biography must be accurate and correct. At present the biographies written by some people are not very accurate or correct. I once mentioned to the committee for collecting historical data of the party in the Army that collecting data is one thing and publishing it is another. A biography should be written after repeated deliberations. Generally speaking, the data which has been collected should not be published, or should be published only selectively, because a biographer's view is limited, after all. In particular, a responsible comrade or a comrade who has a relatively high position in the party may have written an account of soemthing which he remembers incorrectly. Once his account is published, other comrades will take it as true history. Actually, his account is not true and his view is limited. In the final analysis, biographies must be written with great care. First, representatives must be selected and repeatedly screened. Second, the biographies must be very accurate, neither denying or exaggerating one's contributions nor hiding one's errors. As far as a comrade who is influential in the party is concerned, his biography is a conclusion. Final judgment can be passed on a person when the lid is laid on his coffin. Such a judgment should be made cautiously and discussed by the group responsible for compiling party history. The biographies of the greatly influential figures written by someone or by a few people should not be taken as final conclusions.

Conclusions for questions concerning the whole situation, major historical events, and prominent people must be examined and approved by the central authorities. No one is permitted to draw conclusions as he wishes. I do not agree with the method of writing and publishing a biography as soon as some biographical data has been collected. In particular, the responsibility of the comrades in charge of the collection of historical data of the party is to collect data and write accounts for future reference. It is up to the higher authorities to decide whether such accounts should be published, but these comrades are not permitted to publish the accounts as they wish. I was told that some comrades of the group responsible for the biography of a certain leading comrade did a great deal of work to gather some material, wrote an article on it, and released the article through another publication for their own good. This is no good I believe that you, as biographers, will not do such a thing. Why publish articles in a hurry? Moreover, such accounts may not be accurate. Some things are very simple. Take the Zunyi Meeting for example. When was it held? The exact date has yet to be checked. The resolution adopted by the Zunyi Meeting was dated 8 January. This was incorrect, because the meeting had not yet opened on that day. Many things have yet to be checked. We should not draw a conclusion the moment we see a bit of the data. Even if the data is carried in some official documents, the accuracy of some of the data has yet to be verified. It is possible that some dates had been listed incorrectly during the revolutionary war. In short, comrades are asked to be very cautious. In the future when people talk about party history, they will make references to the activities of various people and base their views on the biographies. Wrong biographies will adversely affect party history.

It is my hope that you will continue working hard to complete the biographies of revolutionary martyrs of the four great periods (see footnote) as quickly as possible. Comrades, may you enjoy good health and work hard.

Footnote: Biographies of revolutionary martyrs of the four great periods refer to the "Biographies of Revolutionary Martyrs" presently edited by the Revolutionary Martyrs' Biographies Editing Committee of the Party History Research Center of the CPC Central Committee. Biographies of revolutionary martyrs are scheduled to be published in many volumes covering the period of party founding, the period of the first revolutionary civil war, the period of the second revolutionary civil war, the period of the anti-Japanese war, and the period of the war of liberation. The first volume of "Biographies of Revolutionary Martyrs" was published by the People's Publishing House in November 1985 and distributed by the Xinhua Bookstores throughout the country.

MINISTER INTERVIEWED ON AERONAUTIC DEVELOPMENT

OW271123 Beijing Domestic Service in Mandarin 1200 GMT 24 Jan 86

[Text] In an interview today with a reporter of this station, Mo Wenxiang, minister of aeronautics, said: The development objective of the Ministry of Aeronautics during the Seventh 5-Year Plan period is to ensure the production of goods for military use, to transfer military technology to civilian use, and to increase output of products for export. The ministry will strive to have the output value of aircraft and other products for civilian use account for 80 percent of its total output value in 1990, doubling the present percentage.

Mo Wenxiang said: The current situation in the development of civil aircraft is very good. The Ministry of Aeronautics has decided that in developing civil aircraft during the Seventh 5-Year Plan period, emphasis will be on the development of passenger planes for feeder lines and planes for special agricultural and forestry purposes. New types of aircraft will be developed through the introduction of advanced foreign technology and international cooperation; and efforts will be made to deliver more than 200 planes of various kinds to users in 5 years.

On products for civilian use, Mo Wenxiang said: Various enterprises should switch from turning out products for civilian use as an expedient measure in the past to conscientiously doing so in order to serve economic construction by producing more exports and earning more foreign exchange.

PLA IMPROVES FACILITIES FOR BORDER TROOPS

HK250722 Hong Kong LIAOWANG Overseas Edition in Chinese No 3, 20 Jan 86, pp 12-14

[Article by Wu Kelu: "The Might of the Nation as Observed From the National Gates -- A Chronicle of China's Border and Coastal Defense Construction"]

[Excerpts] Over the past 30 years and more, China has gradually built up its border and coastal defenses. For a variety of reasons, however, the troops which garrison frontier and coastal forts could only live in simple and crude barracks built with stones and wood. In some new border guard stations and coast guard stations, soldiers could only live in thatched sheds, caves, tents, or crude huts built with asphalt felt. This situation lasted for a long time in the past. Moreover, many garrison outposts are located in remote places which are sparsely populated. The natural conditions in those places are generally very bad. There are many problems in water and electricity supply and transport facilities. Over a long time, the task of garrisoning the frontiers was arduous, and our frontier and coast guards have endured great hardships.

Military Expenditure Should Be Used in the Most Needed Places

In 1980, General Hong Xuezhi was reappointed director of the PLA General Logistics Department. During the Korean war, this general made important contributions to the victory by ensuring logistical support for our troops; but during the "Cultural Revolution," he was forced to leave the leading post of the General Logistics Department when falsely charged of being a member of an "antiparty clique." After he reassumed office, the first thing he had to handle was to read piles of papers requiring money for various undertakings. However, the national economy was undergoing a readjustment, and military expenditures had been cut down by some 2 billion yuan.

Deng Xiaoping, chairman of the Central Military Commission, said at a meeting of senior Army cadres: The first thing I did after becoming chairman of the Central Military Commission was to reduce military expenditures. The Army should subject itself to the overall interests of national construction. Can we increase our military expenditure any more? It is impossible. That will certainly affect our economic construction. So, our comrades in the Army should consider how to most economically and reasonably use the money appropriated to the Army in order to really enhance the Army's combat capability.

On the one hand, many undertakings in the Army required money; on the other hand, military expenditures were cut down. That was the difficult problem that the General Logistics Department, which holds the financial power of the Army, had to deal with at that time. The personnel of the General Logistics Department like to quote a famous remark of their chief Hong Xuezhi: "One cannot be considered capable if one succeeds in handling things with sufficient money; only by handling things successfully with insufficient money can one be regarded as capable." The party committee of the General Logistics Department decided to carry out general investigations in the 10 major sectors of the Army's logistics work, including the border and coastal defense facilities, the Army units' finances, hospitals, vehicles, and vessels, the supply of fuel, and warehouses. Then, some major policies would be made on the basis of these investigations. First priority in the investigations was given to the border and coastal defense facilities. Under the direction of five leaders of the General Logistics Department, 10 joint investigation groups were formed and sent to investigate the conditions in all frontier and coast guard stations. The groups were composed of 250 cadres from the logistics departments of all military regions, the Navy, and the Air Forces.

Going to the Remotest Corners of the Country

It was the first time in our Army's history that such a large-scale overall investigation was made. The General Logistics Department required that the investigation groups "visit every sentry post, guard station, and island forts." The investigators overcame all kinds of difficulties, including attacks by snowstorms, lack of oxygen at high altitudes, and the lack of the means of transport. They went to all borders and coasts of the country and paid visits to all guard stations.

Through painstaking efforts in 8 months and after covering a total distance of 200,000 kilometers, they eventually completed the arduous investigations and gathered first-hand information for the making of major policies for the construction of border and coastal defenses. Through overall and careful consideration, the General Logistics Department efficiently worked out a feasible plan for carrying out necessary construction projects for border and island garrison forces.

The plan was approved by Deng Xiaoping, chairman of the CPC Central Military Commission, and Zhao Ziyang, premier of the State Council. Then, the largest-scale construction program for border and coastal defenses since the founding of the PRC was officially started.

Yang Shangkun, vice chairman of the CPC Central Military Commission, particularly instructed that "the money allocated for this construction program must be earmarked for this special purpose and must be managed by special personnel. The quality of the construction projects must be guaranteed, and the completed projects must be subject to examination before they are accepted by the Army."

Dedication to the Construction of Border Defenses

In the 3 years between 1983 and 1985, the PLA General Logistics Department did not ask for extra appropriations from the state for the construction projects for improving border and coastal defenses; instead, it raised the funds by itself and took nearly 800 million yuan from military appropriations to start more than 20,000 construction projects. Apart from leaders of the General Logistics Department, senior commanders of the Army units stationed in various border provinces and regions also took an active part in these defense construction projects having a bearing on our country's safety and security. Some of them even sacrificed their lives in carrying out these projects.

The PLA troops responsible for the construction tasks, under the leadership of their commanders, worked with high enthusiasm for improving our border defenses. They completed 70 percent of the civil engineering works by themselves and saved more than 70 million yuan in expenses. In the course of carrying out these construction tasks, they overcame various difficulties and worked under extremely hard conditions. They successfully fulfilled the tasks in 3 years of efforts.

Offer the Most Advanced Equipment and Technologies to the Army Units Which Garrison the Frontier and Coasts

Director Hong Xuezhi instructed that we must provide the Army units guarding the borders and coasts with the best equipment and technologies. So much new equipment and technologies that had not been generally introduced to the whole Army were first used in the construction of border and coast defenses. These things included solar energy generating systems, wind-driven generators, plastic sheds, glasshouses, and construction of houses on permafrost layers. At present, the Army units garrisoning the borders and coasts have all moved into solid, spacious, and bright new barracks. They also have conference rooms, entertainment rooms, storage rooms, canteens, and arms depots.

The Nation's Might Is Shown at the Nation's Doors

The borders and coasts are the doors of our motherland. The new appearance of the national doors shows the changes which have occurred in the whole country and reflects the increasing national strength. In the past, the border defenses of some of the 12 neighboring countries were built better than ours. Now, when coming across the border to meet our border defense personnel, border defense officers of some neighboring countries feel surprised at and envious of the improvements in our border defense facilities. An officer of the border guards of a neighboring country was surprised to see the fresh vegetables grown by our soldiers in the Gobi Desert. Another officer said: "Your soldiers' barracks are better than the houses of our officers." In the past, when seeing the shabby huts of our border guards, a soldier of a neighboring country used to stretch his little finger; now, when seeing the new barracks of the Chinese border guards, he held up his thumb to express his envy. The new construction works have boosted the prestige of our Army and our country. Our soldiers are also proud of the motherland's strength.

INTERIM BANK MANAGEMENT REGULATIONS ANNOUNCED

OW210010 Beijing XINHUA Domestic Service in Chinese 0147 GMT 16 Jan 86

[Text] Beijing, 16 Jan (XINHUA) -- The Interim Regulations on Bank Management of the People's Republic of China (promulgated by the State Council on 7 January 1986)

Chapter I: General Provisions

Article 1: These regulations are formulated for the purpose of strengthening management of banks and other financial institutions, ensuring the healthy development of financial affairs, and promoting socialist modernization.

Article 2: Banks and other financial institutions that handle deposts, loans, savings from individuals, discounts on promissory notes, foreign exchange, settlement of payments, trust funds investments, financial leasser, sale of securities on behalf of the customer and others shall be governed by the provisions of these regulations.

Article 3; The central bank, specialized banks and other financial institutions should conscientiously implement the state principles and policies in financial affairs and see to it that their financial and business activities help promote the country's economic growth, stabilize the currency and improve the economy.

Article 4: Non-financial organizations are not allowed to handle financial business.

Chapter II: The Central Bank

Article 5: The People's Bank of China is a state organ under the leadership of the State Council, which manages the financial affairs throughout the country. Being the central bank of the state, it should carry out the following duties in an overall manner:

1. Study and formulate the principles and policies for national financial work, and implement them after they have been approved.

2. Study and formulate the drafted financial rules and regulations.

3. Formulate basic rules and regulations in handling financial affairs.

4. Handle the issuance of currency, readjust its flow, and maintain its stability.

5. Handle deposits, determine interest rates for loans, and set the exchange rates between renminbi and foreign currencies.

6. Work out state plans for credit, handle credit funds in a concentrated manner, and manage circulating funds of state-run enterprises in a unified manner.

7. Handle foreign exchange, gold and silver, state foreign exchange reserves, and gold reserves.

8. Screen and approve the establishment, closure, or merger of specialized banks and other financial institutions.

9. Lead, manage, coordinate with, supervise, and audit business of specialized banks and other financial institutions.

10. Manage the state treasury and issue government bonds on behalf of the government.

11. Handle negotiable securities of various enterprises such as shares and bonds, and manage the money market.

12. Engage in relevant international financial activities on behalf of the government.

Article 6: The People's Bank of China handles the insurance business in the country in accordance with the state laws and administrative rules and regulations.

Article 7: The council of the People's Bank of China is the organ of the bank's head office which makes policy decisions. The main tasks of the council are as follows:

1. Examine and discuss matters regarding financial principles and policies.

2. Examine and discuss major issues with regard to state plans for credit, cash, and foreign exchange in the fiscal year.

3. Work out the principles for the establishment, closure, merger, and division of labor in business of the specialized banks and other financial institutions.

4. Study other important matters which involve the entire overall financial situation.

Article 8: The People's Bank of China may set up branches according to its economic development needs. In the area under its own administration, the various branches of the People's Bank of China carry out their own functions and duties and exercise the specific leadership of the Central Bank and manage the financial affairs in their own area.

Article 9: The People's Bank of China should help the specialized banks and other financial institutions transfer funds, coordinate work, provide information, and train qualified people and assist them in expanding their business.

Article 10: The head office and the various branches of the People's Bank of China are held responsible for conciliating and arbitrating business disputes between specialized banks and other financial institutions.

Article 11: The People's Bank of China does not directly handle deposits and loans for any enterprise or individual.

Chapter III: Specialized Banks

Article 12: According to its national economic development needs, the state may set up several specialized banks. In accordance with the prescribed scope of business, the various specialized banks handle deposits, loans, and settlement of payments in domestic or foreign currencies as well as savings deposits from individuals and so on.

Article 13: All specialized banks are independent economic entitites in terms of accounting. They enjoy decision-making powers and carry out their business activities independently according to the provisions in state laws and administrative rules and regulations.

Article 14: Specialized banks shall carry out the following basic functions:

1. Work out specific work systems and measures according to the fundamental banking rules.

2. Decide on the extension of loans to enterprises according to the state policies and plans.

3. Float the interest rate within the prescribed limits.

4. Undertake the responsibility for adjusting the transfer of funds within their respective fields.

5. Exercise supversion over credit loans and settlement of accounts.

6. Manage the cash of units having accounts with them according to the state regulations.

7. Oversee the wages of units having accounts with them according to the state regulations.

8. Manage the circulating funds of state-operated enterprises as authorized by the People's Bank of China.

9. Possess and use funds of retained profits according to the regulations.

10. Carry out international banking activities approved by the State Council or the People's Bank of China.

Article 15: When a specialized bank sets up a branch, it shall meet the following requirements:

1. There exists such a need in order to develop the economy, and there is an amount of business commensurate with the scale of the branch to be set up.

2. The establishment of the branch is in conformity with the scope of division of labor.

3. There are qualified personnel to manage the banking work.

4. The establishment of the branch agrees with the principles of economic accounting

The main office of specialized bank shall exercise vertical leadership [chu zhi ling dao 0987 4160 7325 1418] over its branches.

Article 16: The following matters of the main office of the specialized bank shall be reported to the main office of the People's Bank of China for examination and approval:

1. Matters involving work principles and policies stated in the first part of Item 1 of Article 5 of these regulations.

2. Matters beyond the prescribed scope of division of labor.

3. Regulations and rules which are outside the scope of the current fundamental banking rules or involve other specialized banks and which need to be formulated under a unified plan.

4. Formulation and revision of rules of organization.

5. Establishment of branches outside the area.

Matters listed above, if beyond the scope of the central bank's functions and powers stipulated by these regulations, shall all be reported by the main office of the People's Bank of China to the State Council for examination and approval.

Article 17: The following matters of a branch of the specialized bank shall be reported to a branch at the provincial level of the People's Bank of China for examination and approval:

1. Major work regulations formulated in light of the specific conditions of the respective areas.

2. Major changes in the use of credit funds.

3. Regulations and rules that involve other specialized banks in the respective area and need to be formulated under a unified plan.

Article 18: Specialized banks shall send their reports on implementation of credit plans, statistical reports, accounting reports, and work reports to the People's Bank of China in accordance with the regulations.

Article 19: Establishment of specialized banks shall be reported to the authorities concerned for approval in accordance with the following provisions:

1. Establishment of the main office shall be examined by the main office of the People's Bank of China and reported to the State Council for approval.

2. For establishment of a branch at the provincial level, application shall be filed by the main office of the specialized bank to the main office of the People's Bank of China for approval.

3. For establishment of a central branch at the prefectural or city level or a branch at the county level, an application shall be filed by the provincial-level branch of the specialized bank to the provincial-level branch of the People's Bank of China for approval.

4. For establishment of a business unit under the county-level branch, an application shall be filed by the prefectural- or city-level central branch of the specialized bank to the prefectural- or city-level branch of the People's Bank of China for approval.

Article 20: Main offices of specialized banks, as well as the branch offices established with approval, should be issued "Licenses for Operating Banking Business" by the main and branch offices respectively of the People's Bank of China. In accordance with the provisions in the "Regulations for the Registration and Management of Industrial and Commercial Enterprises," they will begin business operations only after they have gone through the registration procedures and acquired business licenses.

Article 21: When it becomes necessary to close down a branch office of a specialized bank which has been established with approval, application should be filed with the original approving units 2 months before the close of its operations. After approval has been given, the branch office should straighten out matters related to its assets and liabilities under the supervision of the original approving units. After this has been done, the "License for Operating Banking Business" and the business license should be turned in and nullified.

Chapter IV: Other Kinds of Banking

Article 22: Other kinds of banking institutions referred to in this chapter include trust and investment companies, rural credit cooperatives, urban credit cooperatives, as well as other banking institutions set up with the approval of the People's Bank of China. Provisions in this regulation that concern specialized banks, with the exception of those contained in other state regulations or those specifically mentioned in this chapter, apply to other banking institutions.

Article 23: In establishing other kinds of banking institutions, in addition to the requirements stipulated in Article 15 of this regulation, there must be a minimum fund required by the People's Bank of China, as well as the articles of association.

Article 24: If truly justified, trust and investment companies may be set up in large and medium-sized cities to handle and look after capital and property on commission, conduct loan business, provide economic consulting service, issue negotiable securities, make investments, and so on. Trust and investment companies will carry out their business activities according to the plan approved by the People's Bank of China.

Article 25: When applying for the establishment of a trust and investment company, the following rules should be followed to obtain approval:

1. Trust and investment companies at the national level will be examined and verified by the main office of the People's Bank of China and submitted to the State Council for approval.

2. Trust and investment companies at the provincial level will be examined and verified by the provincial branch office of the People's Bank of China for approval.

3. Trust and investment companies at the prefectural and city levels will be examined and verified by the prefectural and city branch offices of the People's Bank of China and submitted to the provincial branch office of the People's Bank of China for approval.

Article 26: Trust and investment companies set up by specialized banks in large and medium-sized cities should be independent legal entities, carry out independent accounting, and receive guidance from the People's Bank of China in vocational matters. Specialized banks with no independent trust and investment companies but engaged in credit and trust business, should incorporate all sources and uses of their capital into their credit and loan plans. The revenues are subject to unified accounting by the specialized bank.

Article 27: Credit cooperatives may be set up in rural areas, and large and medium-sized cities. Credit cooperatives are cooperative banking organizations of a mass nature and exercise democratic management. Rural credit cooperatives deal with rural deposits, loans, final accounts, and personal savings. Urban credit cooperatives deal with deposits, loans, and final accounts of collective organizations in urban neighborhoods, as well as industrial and commercial establishments run by individuals. They also handle personal savings deposits and other businesses on commission. The methods for managing, examining, and aproving credit cooperatives will be formulated separately by the People's Bank of China.

Article 28: Local people's governments at all levels are not allowed to establish local banks. Individuals are not allowed to set up banks, banking institutions, or operate banking businesses.

Chapter V: Issuance and Control of Currency

Article 29: Centralized and unified control shall be exercised over the issuance of currency. Based on the needs of national economic development, the main office of the People's Bank of China shall submit a currency-issuance plan to the State Council for approval and then make arrangements for its implementation.

Article 30: Financial departments shall not overdraw from the People's Bank of China. The People's Bank of China shall not make direct purchases of government bonds.

Article 31: When handling and transferring funds for issuance of renminbi, the currency-issuing treasuries [fa xing ku 4099 5887 1655] at various levels in the People's Bank of China shall act in accordance with the instructions of such treasuries at the higher level. No units or individuals shall be allowed to violate the regulations to use funds of currency-issuing treasuries.

Article 32: When specialized banks withdraw cash from the People's Bank of China, the amounts withdrawn shall not exceed the balance of their deposits remaining in the relevant branches of the People's Bank of China, and no overdraft shall be allowed. When specialized banks deposit cash into the People's Bank of China, they should follow the latter's cash-handling procedures.

Article 33: Specialized banks shall conduct investigations and study of the circulation of currency and submit periodic reports to the People's Bank of China accordingly.

Article 34: Broken and damaged renminbi notes and coins shall be exchanged for good ones by the specialized banks, according to the regulations of the People's Bank of China, which shall be responsible for recovering the broken and damaged notes and coins for destruction.

Chapter VI: Management of Credit Funds

Article 35: Receipts and disbursements of credit funds by specialized banks shall be included in the state credit program according to the regulations. The state credit program shall be worked out by the main office of the People's Bank of China, and disseminated by the same office to lower levels for execution after approval by the State Council.

Article 36: Deposits in the State Treasury are sources of credit funds for the People's Bank of China. Banks handling the credit business shall not use or transfer such deposits. Procedures for organizations, groups, and PLA units to deposit money connected with their financial management shall be formulated by the People's Bank of China.

Article 37: Specialized banks shall put into the relevant branch of the People's Bank of China a deposit reserve for each deposit acquired. The ratio of the reserve to the deposit shall be decided by the People's Bank of China and shall be subject to adjustment according to the need to ease or tighten the money supply on the market.

Article 38: Branches of the People's Bank of China extend loans to specialized banks on the basis of the credit policy and program and in accordance with a plan approved by the higher-level bank.

Article 39: Specialized banks may borrow money from each other.

Article 40: Specialized banks shall set up reserves for bad debts. The amount of such reserves shall be decided by the main office of the People's Bank of China through consultations with the Ministry of Finance.

Article 41: Foreign exchange credit funds of specialized banks shall be handled in accordance with the provisions of the state foreign exchange control regulations.

Chapter VII: Management of Interest Rates

Article 42: The maximum interest rates for various types of deposit and the minimum interest rates for various kinds of loans shall be set by the main office of the People's Bank of China. After they have been reported to, and approved by, the State Council, the main office of the People's Bank of China shall set differential interest rates pursuant to the state economic policy and make adjustments according to the change in the situation. The main offices of specialized banks shall have a certain authority to float interest rates. The range for floating interest rates shall be decided by the main office of the People's Bank of China. Credit cooperatives may float their interest rates on deposits and loans, based on the rules stipulated and the authority given by the People's Bank of China.

Article 43: In the case of loans for developing priority trades and products in the state development plan, and for projects with good social, but less conspicuous, benefits to the enterprises concerned, an interest subsidy may be given in addition to the preferential treatment granted by the bank. The interest subsidy shall be given by the locality and department approving the subsidy.

Article 44: The interest rates on deposits and loans between the People's Bank of China and specialized banks shall be decided by the main office of the People's Bank of China and subject to adjustment according to the need to ease or tighten the money supply on the market.

Article 45: The interest rate applied to money borrowed by one specialized bank from another shall be decided through negotiations between the debtor and creditor.

Chapter VIII: Management of Deposits, Loans, and Settlement of Accounts

Article 46: The state protects the legal rights and interests of depositors. Depositors can use their deposits independently; no one else can use them.

Article 47: The state protects individual savings deposits and implements the voluntary principle in making those deposits, freedom to draw money from deposits or interest yielded, and ensured privacy for depositors.

Article 48: In extending loans, specialized banks shall strictly comply with the procedure for examination and approval and with the responsibility system. They shall extend loans in accordance with the loan policy and related regulations to ensure the security and effective use of loans. Specialized banks have the authority to examine and supervise the use of loans and to know how the borrowing enterprise is carrying out its plan, as well as the conditions of its operations and management, financial activities, and warehouse inventory.

Article 49: Specialized banks enjoy decision-making power in extending loans. No units and individuals shall be allowed to force the extension or to obstruct the recovery of loans. Without the approval of the State Council, no units have the authority to grant exemption from repayment of a loan.

Article 50: Specialized banks shall maintain sufficient paying capabilities to ensure the timely repayment of various debts.

Article 51: When specialized banks cash drafts or post-dated promissory notes at a discount rate, the drafts or notes shall be limited to those issued in connection with legitimate business activities.

Article 52: When specialized banks transfer money from one account to another in order to help settle payment, it is imperative to safeguard the just rights and interests of both the payer and the payee. Rules and regulations governing such settlement shall be worked out by the People's Bank of China.

Chapter IX: Treatment of violations

Article 53: Branches of sp ialized banks or other banking organizations established without proper authorizatio and in violation of the provisions of these regulations shall be ordered to stop operations by the People's Bank of China, their illegal receipts confiscated according to law, and persons directly responsible shall be subject to investigation to determine their administrative liability.

Article 54: In the case of violation of the provisions of these regulations to use the funds of a currency-issuing treasury without proper authorization, it is imperative to recall the money and investigate the person directly responsible for the case to determine his administrative liability.

Article 55: Banking personnel taking advantage of their jobs to seek private gain through extension of loans shall be subject to investigation to determine their administrative liability, and their illegal gains confiscated.

Article 56: Concerning losses suffered in connection with loans, due to dereliction of duty on the part of banking personnel, those directly responsible for the losses shall be subject to investigation to determine their administrative liability.

Article 57: In the case of a branch of a specialized bank or any other banking organization forced to extend a loan, resulting in loss, the person directly responsible for this shall be subject to investigation to determine his administrative and economic liability.

Article 58: Directly responsible personnel referred to in Articles 54 through 57 of this chapter, if their acts constitute criminal offenses, shall be prosecuted by the judicial organ according to law for their criminal liability.

Article 59: In the case of a specialized bank or any other banking organization violating the provisions of these regulations to use or transfer the deposit made by units in connection with their financial management, or failing to put into the People's Bank of China the necessary reserve deposit within the required time limit and in accordance with the prescribed ratio, the People's Bank of China shall deduct the same amount from this specialized bank's deposit, and impose penalty interest at the same rate as that of the loan interest. At the same time, the personnel handling this work and the principal responsible persons shall be subject to investigation to determine their liability.

Chapter X: Supplementary Provisions

Article 60: These regulations are not applicable to banking organizations established in our country as joint ventures with Chinese and foreign investment, or as entitles solely owned by foreign interests.

Article 61: For the management of branches of specialized banks and other banking organizations in special economic zones, supplementary regulations shall be enacted by the People's Bank of China on the basis of these regulations.

Article 62: The main office of the People's Bank of China shall be responsible for interpretation of these regulations. Detailed rules for implementation of various parts of these regulations shall be formulated by the main office of the People's Bank of China.

Article 63: These regulations shall take effect on the date of the promulgation.

Commentator's Article

HK220301 Beijing RENMIN RIBAO in Chinese 17 Jan 86 p 2

[Commentator's article: "Regulatory Functions of Banks Must Be Legally Guaranteed"]

[Text] A pressing task confronting the current reform of the economic structure is the establishment of a financial regulatory system suited to our national conditions, organically combining macrocontrol and microflexibility in the financial field. The promulgation and implementation of the "Provisional Regulations of the PRC on Bank Managment" is the legal guarantee of performance by the banks of their regulatory functions.

It is extremely important to define the position of banks in the financial activities. In recent years, the People's Bank has performed the functions of a central bank. As some regulations regarding the responsibility for financial management were not specific and clear, there have been differences and contradictions in the financial activities between the central bank on the one hand and special banks and financial organizations on the other. Moreover, it has been difficult to coordinate and arbitrate these problems. Now the "regulations" clearly state that the People's Bank of China, as the central bank of the state, should perform its duty of exercising overall leadership and management over the financial undertakings of the whole nation. The special banks, as economic entities practicing independent accounting, should independently perform their duties and financial activities. Consequently, the legal position of various banks and financial organizations is clearly defined and the relations between the central bank, on the one hand, and special banks and financial organizations, on the other, have been straightened out, helping promote the work and business activities carried out within the scope of the functions and powers of each.

To strengthen management is the essential prerequisite for the banks in fully performing their regulatory functions and for credit funds to yield better social benefits. Due to poor managment in banking, the abnormal practices of excessive issuance of currency, granting of loans in a blind manner, and several banks vying with one another in granting loans to the same client ran rampant for a time. In accordance with the requirements of the state on strengthening macrocontrol, the banks achieved certain results in controlling credit and the excessive issuance of currency in 1985. On the basis of a review, the "regulations" make clear stipulations on strengthening management over the issuance of currency, granting of credit funds, and adjustment of interest rates. These measures are absolutely necessary.

According to the "regulations," the special banks have the decision-making power to grant loans. In the past, a number of localities did not respect the functions of banks. The leading cadres there approved applications for loans as they leased and the practice of indiscriminately asking for loans was quite common. Some localities even tried to write off, without authorization, loans already granted and exempt the units concerned from repaying loans, thus incurring financial losses for the state. In accordance with the stipulations of the "regulations," no unit or individual will henceforth be allowed to compel the banks to grant or recall loans. Without the approval of the State Council, no one will have the right to exempt any unit or individual from repaying loans. The banks concerned should undertake economic responsibility and risks in granting loans. Those who abuse the power of granting loans to seek personal gains will be punished according to law.

The "Provisional Regulations of the PRC on Bank Management" is one of China's important financial laws. All localities, departments, and banking organizations should conscientiously abide by the regulations and effectively perform the banks' regulatory functions in the economy.

INCOME TAX TO BE LEVIED ON PRIVATE BUSINESSES

OW250023 Beijing XINHUA Domestic Service in Chinese 0218 GMT 24 Jan 86

[Text] Beijing, 24 Jan (XINHUA) -- Interim Regulations of the People's Republic of China on Income Tax Concerning Urban and Rural Individually-Operated Industrial and Commercial Businesses (Promulgated by the State Council on 7 January 1986)

Article 1: All those engaged in industry, commerce, service trades, construction and installation trades, transport, and other trades, as well as individually-operated industrial and commercial businesses operating with the approval of the administrative departments of industry and commerce, are taxpayers with incomes derived from urban and rural individually-operated industrial and commercial businesses (hereafter referred to as taxpayers). They should pay income tax according to the provisions of these regulations.

Article 2: The taxable income of a taxpayer shall be the excess of his gross income in a tax year over his deductible costs, expenses, wages, losses, and those before-tax expenses permitted by the state.

Article 3: Income tax concerning urban and rural individually-operated industrial and commercial businesses is computed according to the "Ten-Level Tax-Rate Table of Income Tax at Progressive Rates on Sums in Excess of Specified Amounts of Taxable Income" attached to these regulations.

Article 4: A 10 to 40 percent surtax will be levied on any taxpayer's taxable income above 50,000 yuan. The specific measures for this surtax will be determined by the people's government of the province, autonomous region, or municipality directly under the central government.

Article 5: The people's government of the province, autonomous region, or municipality directly under the central government may grant tax reductions and exemptions for given periods to the following taxpayers who have experienced difficulties in paying taxes.

1. The childless elderly, handicapped, and those family members of martyrs engaged in individually-operated businesses;

2. Those providing badly needed services requiring high labor intensity and yielding lower incomes than given standards.

Article 6: Income tax concerning urban and rural individually-operated industrial and commercial businesses shall be computed on an annual basis, and paid in advance in monthly or quarterly installments. The final settlement shall be made at the end of each tax year, with a refund for any overpayment or a supplemental payment for any deficiency. The specific time limit for tax payment shall be decided by the county or city tax authorities.

Article 7: Income tax concerning urban and rural individually-operated industrial and commercial businesses should be paid to the local tax authorities.

Article 8: When a taxpayer starts to operate his business with the approval of the administrative organ of industry and commerce, he should present the pertinent certificates to, and go through tax registration with, the local tax authorities within 30 days after his business license is issued.

Article 9: When a taxpayer ceases to operate, merges and integrates his business with another establishment, sets up a branch, reorganizes his operations, changes the nature of his business or moves his business to another location with the approval of the administrative organ of industry and commerce, he should present the pertinent certificates to the local tax authorities to change or cancel registration, pay all taxes due, and hand in the blank invoices for cancellation within 30 days of the date of approval.

Article 10: The taxpayer should have a set of account books, correctly calculate his profit or loss, and file tax returns with the local tax authorities according to the regulations.

When a taxpayer is unable to present vouchers to accurately calculate costs and expenses and correctly calculate the amount of taxable income, the local tax authorities have the right to appraise and decide the amount due on his income tax.

Article 11: The tax authorities have the right to conduct investigations into the taxpayer's business operations. The taxpayer must make reports according to the facts, and present account vouchers and books and pertinent information. Under no circumstances should he refuse to present the necessary vouchers, books, and information or conceal facts.

Article 12: The taxpayer must make tax payments within the prescribed time limit. In case of failure to do so, the tax authorities, in addition to setting a new time limit for tax payment, shall impose a surcharge for overdue payment equal to 1/2 of 1 percent of the overdue tax for every day in arrears, starting from the first day payment becomes overdue.

Article 13: The tax authorities may exercise their discretion in light of the circumstances to impose a fine under 5,000 yuan on a taxpayer who has violated the provisions of Articles 8, 9 and 11 of these regulations.

Article 14: In dealing with a taxpayer who has evaded or refused to pay tax, the tax authorities, in addition to pursuing the tax payment, may exercise their discretion in light of the circumstances to impose a fine of up to, but not exceeding, 100 percent of the amount of tax that should have been paid. Cases of tax evasion in gross violation of the penal code should be referred to the judicial organ by the tax authorities in order to pursue criminal liability according to law.

Article 15: In case of a dispute with the tax authorities over tax payment, a taxpayer must first pay the tax as prescribed before applying to higher tax authorities for reconsideration. The higher tax authorities must reply within 30 days of receiving the application. If he does not accept the reconsideration decision, he may bring suit in the local people's courts.

Article 16: The Ministry of Finance is responsible for interpreting the regulations. Rules for the implementation of these regulations shall be formulated by the people's governments of various provinces, autonomous regions, and municipalities directly under the central government, and the copies of the rules sent to the Ministry of Finance for the record.

Article 17: These regulations shall go into effect from the beginning of 1986.

Appendix: Ten-Level Tax-Rate Table of Income Tax at Progressive Rates on Sums in Excess of Specified Amounts of Taxable Income

Level	Annual Income	Tax Rate (percent)	Amount Withheld through rough calculation [Su suan Kou Chu shu 6643 4615 2099 7110 7422] (yuan)
1.	Not over 1,000 yuan	7	0
2.	That part of annual income from 1,000 to 2,000 yuan	15	80
3.	That part of annual income from 2,000 to 4,000 yuan	25	280
4.	That part of annual income from 4,000 to 6,000 yuan	30	480
5.	That part of annual income from 6,000 to 8,000 yuan	35	780
6.	That part of annual income from 8,000 to 12,000 yuan	40	1,180
7.	That part of annual income from 12,000 to 18,000 yuan	45	1,780
8.	That part of annual income from 18,000 to 24,000 yuan	50	2,680
9.	That part of annual income from 24,000 to 30,000 yuan	55	3,880
10.	That part of annual income above 30,000 yuan	60	5,380

Formula To Compute Income Tax at Progressive Rates on Amounts in Excess of Specified Amounts of Taxable Income: Income Tax To Be Paid equals Taxable Income times Applicable Tax Rate minus Amount Withheld Through Rough Calculation

ZHAO ZIYANG MEETS CHILDREN OF LATE KMT GENERAL

OW271530 Beijing XINHUA in English 1523 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- Chinese Premier Zhao Ziyang had a cordial talk here today with children of Feng Yuxiang, the late patriotic general of the Kuomintang. They are Feng Fufa, daughter, Richard Hung-chi Feng, son, and Victoria Wei-chen Ku, granddaughter, of the late general. Feng Fufa is a member of the National Committee of the Chinese People's Political Consultative Conference. Richard Hung-chi Feng and Victoria Wei-chen Ku reside in the United States and are in China on a visit.

LEADERS MOURN DEATH OF CPC VETERAN FENG XUAN

OW271406 Beijing XINHUA in English 1320 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- More than 400 people from all walks of life paid their last respects here today to the late Feng Xuan, former advisor to the International Liaison Department of the Chinese Communist Party Central Committee. Feng, also a former member of the Central Advisory Commission of the Chinese Communist Party, died of respiratory failure linked to pulmonary heart disease January 16 at the age of 70. Among the mourners today were party Political Bureau members Xi Zhongxun, Qiao Shi, Yang Shangkun, and Wu Xueqian, who laid wreaths by Feng's remains at Babaoshan Cemetery for Revolutionaries. Wreaths were also presented by Hu Yaobang, general secretary, Li Xiannian and Chen Yun, Standing Committee members of the Political Bureau, and Hu Qili, member of the Political Bureau, of the Central Committee of the Chinese Communist Party.

Born in Wujin County of Jiangsu Province, Feng joined the Chinese Communist Party in 1936, engaged in the liaison efforts of the international communist movement and worked in the Foreign Affairs Department. He served as Chinese ambassador to Switzerland, and deputy head of the International Liaison Department of the CPC Central Committee. He was a deputy to the Second and Third National People's Congresses and a member of the 10th and 11th CPC Central Committees. The Condolence Office described Feng as a "long-tested loyal communist who devoted his life to China's revolutionary cause."

LI XIANNIAN VACATIONS IN SHANGHAI, MEETS LEADERS

OW260900 Beijing XINHUA Domestic Service in Chinese 1447 GMT 25 Jan 86

[By reporter Chen Maodi]

[Text] Shanghai, 25 Jan (XINHUA) -- Li Xiannian, member of the Standing Committee of the Political Bureau of the CPC Central Committee and president of the PRC, met with party, government, and Army leading comrades of Shanghai Municipality and some veteran comrades, and had a discussion session with Comrades Rui Xingwen and Jiang Zemin during a vacation in Shanghai from 12 to 25 January. After briefings by responsible comrades of the Shanghai Municipal CPC Committee, Li Xiannian said: "Shanghai Municipality has conscientiously carried out the party's principles and policies and scored remarkable achievements on all fronts. The situation is indeed excellent and encouraging. It tops other localities in the country with total financial revenues of 18 billion yuan, which means a great contribution to the country and the people. I wish you greater successes in the coming new year."

President Li Xiannian also attended an evening gala sponsored by the Shanghai Municipal CPC Committee and had cordial conversations with responsible comrades of the municipal party committee, municipal Advisory Commission, municipal Discipline Inspection Commission, municipal People's Congress Standing Committee, municipal People's Government, CPPCC Municipal Committee, and municipal garrison. President Li extended warm regards to veteran comrades and encouraged young cadres to study and work hard.

HAO JIANXIU COMMENDS SAILORS' FAMILIES

OW241251 Beijing XINHUA Domestic Service in Chinese 1326 GMT 23 Jan 86

[By reporter Li Anding]

[Text] Beijing, 23 Jan (XINHUA) -- Hao Jianxiu, member of the Secretariat of the CPC Central Committee, met today with 68 outstanding family members of Chinese sailors and awarded them Ministry of Communications citations and souvenirs. This is the first time outstanding family members of sailors have been commended in China.

Speaking at a citation meeting on 18 January, Minister of Communications Qian Yongchang said that the development of China's shipping industry cannot be separated from the excellent logistical support of sailors' family members, who take responsibility for all the family chores and allow sailors to concentrate on their jobs. Leading comrades of the All-China Federation of Trade Unions were also present at today's award ceremony.

XINJIANG TO OBSERVE URUMQI TIME FROM 1 FEBRUARY

HK260343 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 25 Jan 86

[Text] The Xinjiang Regional People's Government recently decided that the region will observe Urumqi time from 1 February. Urumqi time is 2 hours behind Beijing time. The regional government requires that all units clearly indicate "Urumqi time" when quoting the time; units using Beijing time must clearly indicate "Beijing time."

INTELLECTUALS EXPRESS ENTHUSIASM AT TEA PARTIES

OW Beijing XINHUA in English 1434 GMT 25 Jan 86

[Text] Beijing, January 25 (XINHUA) -- Chinese intellectuals are now enjoying better working and living conditions than ever before, and are most enthusiastic about serving the country's modernization program. This is because the government holds knowledge and intellectuals in high respect, and has effectively implemented the policies of the Communist Party of China (CPC) on intellectuals since the Third Session of the Eleventh Party Central Committee in 1978.

This sentiment was unanimously expressed by some 30 noted intellectuals at tea parties held over the past three days. They reviewed the achievements on all fronts in implementing the Sixth Five-Year Plan, (1981-85), and voiced their own determination to contribute to the fulfilment of the Seventh Five-Year Plan, which starts this year. The tea parties were given by the United Front Work Department of the CPC Central Committee to observe the Spring Festival that falls on the ninth of February. Attending were more than 350 non-party intellectuals in the Chinese capital from the fields of education, health and medicine, culture, publishing, science and technology, economics, and physical culture and sports. Some of them were middle-aged or young intellectuals who have distinguished themselves in recent years in academic research and in carrying out reforms.

The speakers also pointed out that many problems await attention. In education, more funds were called for in order to improve middle and primary school education, and better efforts are needed, they said, to strengthen pre-school education. A publications law should also be worked out better equipment and more doctors of traditional medicine were needed, they stressed. A noted chess player proposed that chess classes be added to middle and primary schools.

Yan Mingfu, director of the United Work Department, said that the opinions and suggestions would be conveyed to the party Central Committee and that his department would cooperate with other party and government organizations in helping the intellectuals. He called for frequent contacts with the intellectuals to exchange ideas and discuss ways to solve problems.

POPULATION EDUCATION MEETING HELD IN BEIJING

OW280046 Beijing XINHUA Domestic Service in Chinese 1533 GMT 24 Jan 86

[By reporter Lei Xiaolu]

[Text] Beijing, 24 Jan (XINHUA) -- A national meeting on exchanging experiences in population education began in the Beijing College of Pedagogics this morning. Some 50 population education workers from 14 provinces and municipalities in China are attending the meeting.

Currently, China's population education is mainly conducted in middle schools. More than 6,000 middle schools are teaching population education subjects. Nearly 4 million middle school students have learned population theories in a more systematical way. In 1981, China and the United Nations Fund for Population Activities [UNFPA] signed an agreement on cooperation in population education in middle schools and training of relevant teachers. Since then, the colleges of pedagogics in various provinces and municipalities have trained more than 16,000 population education teachers and compiled a number of middle school textbooks for population education and auxiliary teaching materials.

The primary contents of present population education are China's population policy, the history of population development and the present population situation, population and environment, population and development, human physiology and family planning, inheritance and variation, and population statistics.

The participants at the meeting hold that to control the size of population and improve its quality will depend on several generations making efforts, and that population education should be an important part of middle school education.

Present at today's meeting were Wang Mingda, vice minister of the State Education Commission; and (Jane Chiang), a high-ranking official from the Beijing Office of UNFPA.

COMPARISON OF WU XUEQIAN SPEECH TO NPC SESSION

Beijing XINHUA in English on 16 January at 1248 GMT reports on the speech by Wu Xueqian, minister of foreign affairs, to the 14th Session of the 6th NPC Standing Committee on 16 January. The XINHUA English item has been compared to the Beijing XINHUA Domestic Service version published in the 17 January China DAILY REPORT, page K 1; the following variation is noted:

Page K 4, paragraph two, lines twenty and twenty-one of the XINHUA Domestic Service item read (as corrected in the 22 January China DAILY REPORT, page K 20, "Correction to Wu Xueqian Speech at NPC Session"): We hope that the United States will support with actual deeds, not hamper, China's efforts to realize peaceful reunification.

The ultimate paragraph of the XINHUA English item reads: China hopes that the U.S. will mean what it says in supporting China's efforts for peaceful reunification of the country, and discard its discriminative policies toward China.

FUJIAN'S XIANG NAN CHAIRS CPC COMMITTEE MEETING

OW240549 Fuzhou FUJIAN RIBAO in Chinese 13 Jan 86 p 1

[Text] "To be the leading example for the whole province, provincial organs should first focus on having the leading bodies and cadres take the lead. To rectify organs' party style we should start by strengthening ideological education and correcting malpractices in six areas." The above request was made at the enlarged conference of the Standing Committee of the provincial CPC Committee, which was held yesterday afternoon to discuss how to study and carry out the guidelines of the conference of cadres of central organs. Comrade Xiang Nan presided. Attending were leaders of the provincial CPC Committee, the provincial Advisory Commission, and the provincial Discipline Inspection Commission; responsible comrades of party groups of the provincial People's Congress, the provincial government, and the provincial CPPCC Committee; as well as secretaries of prefectural and city party committees.

During their discussion, the participants reviewed the actual situation in our province, and pointed out that since the 3d Plenary Session of the 11th CPC Central Committee, especially after party rectification, the economic and political situation in the province has been good. However, we have learned from past experience that we tend to neglect the dark side of things as well as ideological and political work when the situation is excellent. In recent years, we have scored remarkable results in strengthening our economy, and yet we have not paid enough attention to improving party style and social conduct.

Although we have made greater efforts in this respect since the second half of last year, we are still far from meeting the requirements of the central authorities. In the course of implementing the guidelines of the circular issued by the general offices of the central authorities, we have found, after tentative exploration and investigation, that malpractices in the six areas do exist in varying degrees in provincial organs. Many other problems, like bureaucracy, procrastination, inefficiency, departmentalism, and an elitist mentality also exist, some of which are fairly common and serious. It was timely and necessary that the party Central Committee proposed to rectify party style in organs, raise efficiency, study hard, tighten discipline, and enhance party spirit. Comrade Hu Yaobang urged party members and cadres in central organs to be examples to the whole country by displaying their excellent work style and noble spirit. By the same token, we, the leading organs of the province, should be an example to all provincial organs and the whole province. We should enhance ideological education, seriously investigate and handle cases of grave importance, further rectify guiding ideology in vocational matters, accelerate structural reform in organs, and combine management with service for grass-roots units. Only when leading organs and cadres strictly discipline themselves can they have the initiative and right to set strict requirements for others.

At yesterday afternoon's conference, the Standing Committee of the provincial CPC Committee resolved to hold a meeting of cadres in provincial organs in the near future to mobilize them to study and implement the guidelines of the conference of cadres in central organs and to continue with their solid work in accordance with the central authorities' requirements, so that provincial organs will usher in the first spring of the Seventh 5-Year Plan with a new style and aspect.

XIANG NAN ADDRESSES FUJIAN CADRES FORUM

OW261300 Fuzhou FUJIAN RIBAO in Chinese 16 Jan 85 p 1

[Excerpts] The Fujian Provincial CPC Committee held a meeting of cadres of provincial organs at Fuzhou's Xihu Theater yesterday morning on implementing the guidelines of the meeting of cadres of central organs.

The meeting called on cadres of provincial organs with party membership to take concrete steps to quickly resolve the serious problems affecting work style in the respective provincial organs, seriously investigate and deal with big or major cases of violation, and set an example for organs at lower levels in achieving a fundamental improvement in party style and social conduct.

Xiang Nan, secretary of the provincial CPC Committee; Hu Ping, deputy secretary and governor; Hu Hong, chairman of the provincial Advisory Commission; Gao Hu, member of the Standing Committee of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission; and Zhang Zongde, member of the Standing Committee of the provincial CPC Committee and commander of the provincial Military District, spoke at the meeting.

Cheng Xu, chairman of the Standing Committee of the provincial People's Congress, and Yuan Gai, chairman of the provincial CPPCC Committee, were present.

Jia Qinglin, deputy secretary of the provincial CPC Committee, presided over the meeting.

In his speech, Comrade Xiang Nan pointed out: The party Central Committee's initiative in exposing the dark side of the party despite the current excellent situation, its determination to rectify unhealthy practices, and its call to central organs to set an example have rapidly received the enthusiastic support of the whole party, the whole army, and the people throughout the country.

Xiang Nan said: We are determined to greatly improve our party style this year. For certain units, departments, prefectures, and counties in our province, it is entirely possible to achieve a fundamental improvement in our party style this year.

How to rectify the unhealthy practices? Xiang Nan said: After discussions, the Standing Committee of the provincial Party Committee holds: First, it is necessary to strengthen ideological education. It is necessary to carry out study while simultaneously conducting criticism and self-criticism. We welcome criticism and advice from party as well as nonparty comrades, including from our friends of democratic parties. We should be glad to have our errors pointed out by others. We must seriously study Marxism-Leninism and modern scientific management. We must earnestly study the principles governing inner-party political life and last year's Document No 57 of the General Offices of the CPC Central Committee and the State Council in order to raise our understanding and improve our immunity against corrosive bourgeois ideologies. Second, it is necessary to start from rectifying unhealthy practices in six areas and carry out comparison and investigation in each area. Third, it is necessary to seriously investigate and deal with big or major cases of violation. On no account should we be soft toward them. Fourth, it is necessary to stress the need for leading organs and cadres to take the lead with their own conduct.

Xiang Nan concluded: Our province has some 5,000 cadres of departmental and regimental level or above. The quality of the province's party style will be determined by these 5,000 cadres. Rectification of party style must start from these cadres and from the provincial organs.

In his speech, Comrade Hu Ping analyzed Fujian's economic situation. Speaking about strengthening organization construction and rectifying unhealthy practices, Hu Ping pointed out: The key to fundamentally improving our party style and social conduct lies in the six provincial leading bodies, the provincial organs, and particularly in the cadres of leading organs, who must set an example by their own conduct.

While affirming that the main trend in party style in provincial organs is good, Hu Ping sternly pointed out: Various malpractices exist in some departments and units and among a small number of party members and leading cadres. In a few cases, the problem is quite serious. The six problems of party style pointed out by the Central Committee also exist in our provincial organs. Bureaucratic work style, the use of one's position to seek personal gain, and illegal activities in the economic field must be singled out for our special attention.

Hu Ping said: On the part of our provincial government, we did not adequately study the new situation and problems arising from our opening to the outside world and carrying out reform. We were too engrossed in routine work. We erred in our policy decisions on certain specific issues. More often than not we were unable to grasp problems at the lower levels and to make up our minds before the problems worsened. Take the case of fake medicines in Jinjiang and the problems in our trade with Taiwan, for instance. These two incidents were, above all, the result of problems in guiding ideology in our work. In addition, our bureaucratic work style further worsened these problems. We should assume leadership responsibility for them.

Comrade Hu Ping concluded emphatically: Provincial government organs must consciously accept the supervision of the people's congress at the corresponding level or of its standing body. This is very important for improving party style in government organs.

Comrade Jia Qinglin announced at the meeting that the provincial party committee had decided to let its leading group for guiding party rectification exercise unified leadership over the work of rectifying the party style of provincial organs and to establish under the leading group an office in charge of rectifying the party style of provincial organs.

GU XIULIAN ADDRESSES JIANGSU FINANCIAL MEETING

OW240634 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 22 Jan 86

[Text] A meeting of the directors of finance and taxation bureaus from 13 cities closed in Nanjing on the afternoon of 22 January.

Addressing the closing session, Governor Gu Xiulian urged finance and taxation departments at all levels to support and vigorously promote production and development and to fulfill or overfulfill the financial revenue targets for 1986.

The meeting outlined the following major tasks for the province's financial work in 1986:

A. To extensively implement the guidelines of the National Conference of Party Delegates and the third enlarged meeting of the seventh provincial party committee's Standing Committee;

B. To persist in reform and vigorously conduct education in this connection;

C. To increase tax revenue;

D. To control the scale of capital construction;

E. To increase financial and economic discipline;

F. To strike a balance between revenue and expenditure;

G. To advance persistently and steadily in supporting economic construction; and

H. To mete out expenses in accordance with the principles of spending within one's means, making overall plans and taking all factors into account, guaranteeing spending for key projects, and not reversing priorities.

Financial departments at all levels in Jiangsu should distribute their financial resources according to the following order of priorities this year:

A. Guaranteeing funds for increased administrative expenses in carrying out wage reform;

B. Reserving funds needed for subsidizing meat prices in rural and urban areas;

C. Supporting the structural reforms of education and science so that increases in the expenditures for carrying out these reforms will be slightly higher than those in regular incomes; and

D. Appropriately increasing the outlays for agriculture and reserving funds for combating natural disasters and launching relief operations.

The meeting noted: It is necessary to continue to propagate the principle of building the nation through arduous struggle, thrift, and hard work; to adhere to the principle of acting according to one's capabilities; and to avoid overusing one's resources in an attempt to attain all the goals.

HAN PEIXIN ADDRESSES NANJING ORGANIZATIONAL MEETING

OW240545 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 22 Jan 86

[Excerpts] A provincial meeting on organizational work ended in Nanjing on 22 January.

Comrade Han addressed the meeting. The meeting pointed out: Efforts should be made to further improve the structure and quality of leading bodies this year.

It is now necessary to strengthen the staffing of leading bodies in propaganda, cultural, educational, judicial, procuratorial, public security, financial, trade, and city management departments. In observing and judging cadres, attention should be paid to their educational backgrounds, diplomas, and actual competence.

In his speech at the meeting, Comrade Han Peixin called on party committees at various levels to pay attention to strengthening party building organizationally. While working out their Seventh 5-Year Plan, party committees at various levels should also devote time to planning their organizational work.

Comrade Han Peixin called for party committees at various levels to further promote the improvement of the cadre and personnel system and to make preparations for further organizational reform. It is essential to thoroughly understand and implement the principle of cadres becoming more revolutionary, younger in average age, better educated, and professionally more competent. The system of lifelong tenure for leading cadres should gradually be abolished.

In conclusion, Comrade Han Peixin called on party committees at various levels to strengthen the building of their organization departments in order to meet the requirements of the new situation.

SHENZHEN OFFICIAL DISCUSSES SWINDLING CASES

HK240608 Beijing ZHONGGUO XINWEN SHE in Chinese 0213 GMT 22 Jan 86

[Text] Shenzhen, 22 Jan (ZHONGGUO XINWEN SHE) -- In the past year, Shenzhen City has tracked down 15 major fraud cases which involved a total sum of 40 million renminbi yuan, more than HK$10 million, and more than $1 million. The official of Shenzhen City's Discipline Inspection Department said that the swindlers' activities had the following characteristics:

-- More and more victims of the frauds are collective or state-owned units; and previously, most victims were individuals. In 12 out of the 15 major fraud cases exposed last year, collective and state-owned units were cheated. This category accounted for 180 percent of the fraud cases.

-- Swindlers were not merely jobless people, and many of the exposed swindlers were individual traders and enterprises contracted to individuals. Some frauds were committed by employees of these enterprises or by jobless people from Hong Kong. Most of these swindlers held business licenses, bank accounts, business seals, and invoices. In a fraud case, seven Hong Kong residents headed by one surnamed Xie contracted to run a shopping center in Luohu District in June last year. Then, they used the shopping center's business license, bank account, business seal, and invoices to practice fraud. In a period of 25 days, they swindled 2.13 million yuan out of some units by signing supply contracts worth 30 million yuan.

-- The swindlers mostly resorted to such means as signing false contracts, cheating on payments for goods, commissions, or downpayments, and supplying counterfeit goods of inferior quality. In June last year, the Dongfang Trading Company of Shenzhen City signed a contract to import 83,000 dozen Japan-made "Zebra" pens worth HK$1,095,600. But the supplier delivered more than 3,000 cartons of waste paper rather than the pens as ordered. The Shenzhen authorities immediately adopted a resolute measure to freeze the supplier's bank account and retrieve all money lost.

-- Some jobless people from Hong Kong practiced fraud by offering false remittance bills. For example, a "manager" of a Hong Kong company signed a contract to buy 50,000 pieces of snakeskin and promised to pay HK$215,000 in two installments. But after he took the copy of the remittance bill, he asked the bank to cancel the remittance. Then he used the false remittance bill copy to cheat the Shenzhen supplier who delivered 20,500 pieces of snakeskin to him and lost HK$200,500.

This official called on all people to keep high vigilance against swindling activities and to take measures to plug all loopholes so as to prevent themselves from being cheated.

HAINAN PAYS COMPENSATION TO PLANTATION OWNERS

HK210911 Beijing ZHONGGUO XINWEN SHE in Chinese 0333 GMT 17 Jan 86

[Text] Guangzhou, 17 January (ZHONGGUO XINWEN SHE) -- Tongshi Region of Hainan Island has recently paid 600,000 yuan as the first compensation to the Overseas Chinese and returned Overseas Chinese who are former owners of rubber plantations.

In early 1950's, many Overseas Chinese and returned Overseas Chinese invested in Hainan Island to open up the uncultivated land on the island and plant rubber trees. They overcame enormous difficulties and built one rubber plantation after another, thus making contributions to our country's rubber industry. But, since 1956, because of the implementation of the joint state-private ownership, and the system of people's communes, some units confiscated as feudal property the rubber plantations owned by the Overseas Chinese and returned Overseas Chinese, or redeemed the plantations at a low price when merging them into the state-owned farms.

Some units have even made mistakes in their calculations concerning the number of rubber trees in some plantations. As a result, the former plantation owners had had a lot of complaints about these measures.

Last July, Tongshi Region began to investigate this issue. The results of the investigation show that in the early 1950's, there were, altogether, 11,000 mu of rubber plantations and 220,000 rubber trees owned by the Overseas Chinese and returned Overseas Chinese. Although these rubber trees have been redeemed by the state, generally speaking, the price of redemption was too low.

In order to solve this problem left over from history, apart from allocating funds to pay a reasonable sum of compensation to the former rubber plantation owners, Tongshi Farm Reclamation Bureau has also conducted a careful examination of the rubber trees which were not counted when all the rubber plantations were merged into the state-owned farms in the past, and retroactively paid compensation to the former owners.

HUNAN CONFERENCE DISCUSSES TOWNSHIP ENTERPRISES

HK250349 Changsha Hunan Provincial Service in Mandarin 2300 GMT 23 Jan 86

[Excerpts] A Hunan provincial conference on township enterprises was held in Changsha from 19 to 23 January. Leading comrades of the provincial CPC Committee, Advisory Commission, People's Congress, and government Mao Zhiyong, Xiong Qingquan, Wang Zhiguo, Xie Xinying, and Cao Wenju attended and made speeches.

The conference held: If township enterprises develop rapidly, the level of the productive forces will improve, and agricultural production can then grow steadily and the peasants' incomes will increase. Their knowledge of culture and science can gradually improve, and the state can prosper.

The conference held: In common with other things, the development of township enterprises cannot but bring along some problems on the way of advance. We must by no means avoid these problems. We must continually solve them in our work. We cannot negate the principle on running township enterprises just because they have some specific problems.

Leading comrades of the provincial CPC Committee and government stressed five points on how to strengthen leadership over township enterprises and improve services.

1. Further enhance understanding. Agriculture is the foundation of the national economy, and township enterprises are the foundation of the foundation. Township enterprises represent new productive forces and modes in the rural areas. They are of great significance for developing new cooperative economy and promoting the building of the two civilizations in the rural areas.

2. Further relax the policies and support the development of the township enterprises.

3. Attach more importance to relying on science and technology, and closely integrate developing the spark [xinghuo] plans with developing township enterprises.

4. We should develop more ways of running these enterprises. They should be based on local raw materials, depend on the towns, and make joint efforts to tackle a number of different projects.

5. Service must be further improved. The party and government leaders at all levels, especially the number of one men, must be concerned for township enterprises. The six cities directly subordinate to the provincial authorities have the responsibility to organize coordinated service work.

SICHUAN SECRETARY DISCUSSES SPECIALIZED HOUSEHOLDS

HK241049 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 20 Jan 86

[Excerpts] On 18 January, at a rally to commend 1 million young pioneers in rural areas in our province in getting rich through science and technology, Yang Rudai, secretary of the provincial CPC Committee, emphatically pointed out: Specialized households are people taking the lead in developing the rural commodity economy, are demonstrators and disseminators of getting rich through hard work and through science and technology, and are pioneers in enriching our country and the people. We are firm and unshakable in developing the specialized households.

Comrade Yang Rudai said: Some comrades have said that specialized households have recently received slightly less publicity. Is there any change in the policy? No. The policy has not changed. We will, as always, support and develop the specialized households.

Comrade Yang Rudai said: With a view to guiding peasants to get rich through hard work, we must now do well in several aspects.

1. We must continue to support and develop the specialized households and encourage the peasants to get rich through hard work and through science.

2. Through the policies of rational taxes, we must properly readjust the economic interests among laborers so as to allow the discrepancies between income to remain within the sphere permitted by society.

3. It is essential to seriously help the poor.

In dealing with the second step of rural reform this year, Comrade Yang Rudai said: The general guiding ideology is to consolidate the fruits of reform last year and to make good preparations for taking an important step in reform next year.

In his speech, Comrade Yang Rudai fully affirmed the activities of 1 million young pioneers in the rural areas in our province in getting rich through science and technology. On behalf of the provincial CPC Committee, he expressed four points to the young people in the rural areas throughout the province:

1. It is necessary to be the vanguards in rural reform.

2. It is essential to be the pioneers in getting rich through science and technology.

3. It is necessary to strive to become specialized households and science and technology demonstration households.

4. It is imperative to lead other people to get rich and to take the road of getting rich together.

At the commendatory rally, leading comrades, including Yang Rudai, presented silk banners, citations, and prizes to 53 advanced units and 199 advanced individuals in vigorously carrying out the activities of being pioneers.

NEI MONGGOL BANNER, COUNTY SECRETARIES MEET

SK260240 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Jan 86

[Text] The regional meeting of secretaries of the banner and county CPC committees opened ceremoniously in Hohhot on 24 January. The main tasks of this meeting are to continue studying the documents adopted at the National Conference of Party Delegates; to review and sum up the work and experiences done and gained since the 3d Plenary Session of the 11th CPC Central Committee and, in particular, since the 3d Plenary Session of the 12th CPC Central Committee; to seek unity of thinking, to make a plan for the major work for 1986 and a plan for the work of celebrating the 40th anniversary of the founding of the autonomous region; and to put forward principles and tentative ideas for working out the region's Seventh 5-Year Plan.

Leading comrades, including Zhou Hui, secretary of the regional CPC Committee, attended the meeting. Comrade Bu He delivered a report. Comrade Batubagen made a speech. Comrade Tian Congming presided over the meeting.

Comrade Bu He's report consisted of four parts: first, conscientiously studying and mastering the guidelines of the National Conference of Party Delegates: second, briefly reviewing the work and summing up the experiences done and gained in 1985; third, working out the major tasks for 1986; fourth, improving work style and strengthening leadership.

Comrade Bu He emphatically pointed out in his report: The National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee which were held last September were of extreme importance and had profound historic significance for further consolidating and developing the current excellent situation, promoting the development of reform and the socialist construction, and realizing the grand goals set forth at the 12th CPC Congress. Party members of the party organizations at all levels and cadres and people of all nationalities across the region should conscientiously study the guidelines of the National Conference of Party Delegates, seek unity of thinking, and act in accordance with the guidelines of the conference.

While reviewing and summing up the work done in 1985, Comrade Bu He said: Our region has made a sound start in urban reform. The second-step rural and pastoral reform has been carried out in a healthy fashion. The Sixth 5-Year Plan has been satisfactorily fulfilled. Practice has proven that, as with the entire nation, our region's political and economic situation has been improving year after year since the 3d Plenary Session of the 11th CPC Central Committee. The political and economic situation in this period was really among the best since the founding of the PRC. Such a good situation basically resulted from the fact that the party organizations and people's governments at all levels and cadres and people of all nationalities correctly implemented the party's line, principles, and policies; held high the banner of unity and development, persistently carried out reform; and worked diligently.

Comrade Bu He said: Through summing up the experiences gained since the founding of the autonomous region and, in particular, since the 3d Plenary Session of the 11th CPC Central Committee, we basically came to the conclusion that we successfully linked the line, principles, and policies of the central authorities with the region's actual conditions, and that we have held high the banner of unity and development. From now on, we must continue to persist in these experiences. We learned well from the experiences in reform and development gained last year that we must persistently carry out the principle of taking a sound and positive approach, striving for a fast but steady growth rate, acting according to our capability, and striving for real efficiency. We must persistently look inwardly and organically link material interests with ideological and political work in carrying out economic construction and work in other fields.

With regard to the major tasks for 1986, Comrade Bu He pointed out that we must continue holding high the banner of unity and development; deeply study and implement the guidelines of the National Conference of Party Delegates; persistently attend to the two civilizations; unswervingly attach importance to reform; consolidate, digest, supplement, and perfect the existing achievements in and measures for reform; carry forward our strong points and eliminate our weak points in order to better achieve reform and to further promote a steady, coordinated development of the region's national economy; and make efforts to lay a good foundation for the next-step reform and the realization of the goal of doubling the economic targets next year and the Seventh 5-Year Plan.

Comrade Bu He said: In the work for this year, we must focus on grasping the economic restructuring, fully tapping the potentials of the enterprises; developing large-scale agriculture to further promote a steady increase of the output of the agricultural, forestry, and livestock products, including grain; and doing well in grasping party style. The entire region has made notable achievements in improving the party style during the past year. First of all, the regional-level organs and Hohhot City should set an example in this regard.

Comrade Bu He pointed out: The key to fulfilling the tasks for 1986 and achieving new successes in the work in various fields hinges on whether or not leading bodies at all levels, particularly leading cadres at the banner and county level or above, have a spirit of unity and vitality and an attitude of taking the whole situation into consideration, and whether or not leaders maintain responsibility to the people, deal with the concrete matters relating to their work, and have the spirit of doing pioneering work.

The regional CPC Committee called on leading cadres at all levels to be united, take the whole situation into consideration, strive for real efficiency, compete with each other in making good contributions, unite and guide the people of various nationalities across the region to carry forward the spirit of the foolish old man who removed the mountains, make efforts to fulfill the tasks for 1986, arrange the celebrations for the 40th anniversary of the founding of the autonomous region with exceedingly good achievements, and make ceaseless efforts to achieve new successes in realizing socialist undertakings with Chinese characteristics.

Comrade Batubagen made a speech on how to implement the guidelines of the national rural work conference at the meeting.

NI ZHIFU, TIANJIN LEADERS MEET PLA LEADERS

SK190522 Tianjin City Service in Mandarin 1430 GMT 18 Jan 86

[Text] On behalf of the organs of the CPC Committee of the Beijing Military Region, on 18 January Zheng Guozhong, commander of the Tianjin Garrison District; Lan Baojing, political commissar of the Tianjin Garrison District; and other leading comrades presented silk banners to the Tianjin Municipal CPC Committee, the municipal people's government, and 18 advanced units that emerged in the work of helping the PLA carry out the reduction-in-strength reorganization and the campaign of supporting the Army and giving preferential treatment to families of revolutionary armymen and martyrs. They expressed thanks to these units for their support to the PLA's work.

Responsible comrades of the municipal CPC Committee and the municipal government including Ni Zhifu, Li Ruihuan, Wu Zhen and Tan Shaowen met with the PLA leaders. They also held intimate talks on further strengthening the unity between armymen and civilizians and jointly engaging in the four modernizations.

GOVERNMENT WATCHING U.S. ARMS SALES TO PRC

OW271329 Taipei International Service in English 0200 GMT 26 Jan 86

[Text] The Republic of China Government is currently paying very close attention on the United States Reagan administration's moves to sell Air Force radar and navigation equipment to Peking. According to ASSOCIATED PRESS reports in Washington, the Reagan administration and the congressional sources said today, 25 January, the United States President Ronald Reagan is preparing to notify Congress that he intends to sell Air Force radar and navigation equipment to Peking to upgrade its jet fighter planes. The deal, valued at about 500 million U.S. dollars would strengthen United States ties with the communist regime. This could cause strain with some European allies, Japan, and Taiwan. The equipment is designed to upgrade Peking's F-8 interceptor planes. The sale, under discussion for at least one year, would be the second since the United States established diplomatic relations with Peking in 1979. The first was the relatively minor U.S. $98 million sale of equipment, and the (?design) for Peking to build a factory for artillery and other ammunitions. The adminstration's effort to gain congressional approval of the sale was due to begin later in the day with the close of the Foreign Affairs Committee hearing. Additionally, the United States will soon seek the approval of NATO allies and Japan who coordinate control of Western technology sales to communist countries.

Foreign Ministry Spokesman

OW252108 Taipei CNA in English 1420 GMT 25 Jan 86

[Text] Taipei, Jan. 25 (CNA) -- Any free nation that provides the Peiping regime with weapons and technologies will beef up Red China's military strength and eventually undermine the security in the west Pacific region, Chiu Chin-yi, spokesman for the Ministry of Foreign Affairs, warned Saturday.

Chiu gave the warning in response to press inquiries about foreign wire service reports that the U.S. Government is planning to sell radar and aviation guidance equipment to help Red China modernize its Air Force.

He indicates that the ROC Government is watching closely the development of this issue.

OFFICER STRESSES VITAL STRATEGIC VALUE TO WEST

OW250401 Taipei CNA in English 0312 GMT 25 Jan 86

[Text] Taipei, Jan. 24 (CNA) -- Judging from its vital position in the Pacific region, the Republic of China in Taiwan, if it continues to stay in the democratic camp, will be very helpful to maintaining the stragegic and economic interests of the free world, a top Chinese military officer said in Taipei Friday.

But on the other hand, the free world will feel great pressure if Taiwan falls into the hands of the Peiping regime and becomes hostile to its neighboring countries, General Wego Chiang, [Chiang Wei-kuo] director of the Defense Ministry's Operational Training Department, told a group of foreign visitors who have come here to attend World Freedom Day activities.

Chiang made the comment on Taiwan's position in the world at a seminar sponsored by Tao Hsi-sheng, president of the ROC Strategic Society. Over 100 members of the society and foreign dignitaries were present at the seminar, listening to reports by experts and exchanging views on the strategic situation in the Taiwan Strait and the Pacific region.

If the free world lost Taiwan, the China mainland would lose its opportunity to restore democracy because the influence and pressure exerted by Taiwan on the mainland would no longer exist, and the Soviet Union would also accelerate its expansion in Asia, Chiang said.

Shaw Yu-ming, director of the Institute of International Relations of National Chengchi University, said Taiwan is not only a defend r of East Asian nations, especially Japan, but can also strengthen U.S. defense against Soviet expansion in Asia.

Although the U.S. is trying vigorously to associate with Red China to counter the Soviet Union, many strategists still believe that Red China will not help the U.S. fight against the Soviet Union and will remain neutral when the two superpowers clash, Shaw said. This is because Red China knows very well that remaining neutral will best suit its interests, especially when its military strength is still far inferior to that of the Soviet Union, he noted.

Ms. Chiu Chao-lin, an associate researcher at Academia Sinica, said it is impossible for the ROC to discuss its sovereignty with the Peiping regime which is noted for breaking its word. "The sovereignty of a nation is something that cannot be traded or bargained," she stressed.

ENVOY TO SAUDI ARABIA CALLS RELATIONS 'VERY GOOD'

CW180345 Taipei CNA in English 0319 GMT 18 Jan 86

[Text] Riyadh, Jan. 17 (CNA) — The Republic of China Ambassador Tsai Wei-ping and his wife have returned to their residence at the diplomatic quarter here.

Amb. Tsai flew back to Taipei late last month to report his duties, and latest developments between the Kingdom and ROC.

He told reporters in Taipei that he is confident that the relations between the two countries are very good and that Saudi Arabia's foreign policy toward China remains unchanged.

Meanwhile, an ROC official noted that the delayed ninth session of the Permanent Joint Sino-Saudi Committee on Economic and Technical Cooperation will be held in Taipei at the beginning of May this year.

JOURNAL VIEWS CHANGE IN RENMIN RIBAO DIRECTOR

HK270729 Hong Kong KUANG CHIAO CHING in Chinese No 160, 16 Jan 86 pp 12-14

[Article by Ai Pi-hsi: "Inside Story of RENMIN RIBAO Change of Director"]

[Text] The RENMIN RIBAO change of director has attracted widespread attention abroad, giving rise to much talk and speculation.

In the Past, a Change in the Chief Responsible Person of RENMIN RIBAO Has Often Been Related to a Change in Politics in Mainland China

As the CPC mouthpiece, RENMIN RIBAO is in a very important and sensitive position. In the past, a change in the chief responsible person of RENMIN RIBAO has often been related to a change in politices in mainland China. Moreover, prior to the current reshuffle in personnel, a Hong Kong journal reported that an investigation group sent by the Central Discipline Inspection Commission had already been stationed at the RENMIN RIBAO office, in order to solve the problems of Liu Binyan and Wang Ruoshui, which has caused the current change of director at RENMIN RIBAO to attract greater attention.

A Sign of a Tightening Up of Beijing's Policy?

However, when the news spread that Qian Liren had replaced Qin Chuan as Director of RENMIN RIBAO, the Hong Kong press held differing views on the matter. For example, one journal held that the "sudden removal from office" of Qin Chuan was due to the fact that he has for a long time failed to draw a demarcation line between himself and Hu Jiwei and Wang Ruoshui; therefore this serves as "one of the signs of Beijing's tightening up of late."

A newspaper holds that Qian Liren is one of the comparatively younger cadres whom Deng Xiaoping has put into important posts, and the fact that he has been appointed director of RENMIN RIBAO is a measure of how the "opening up school" is strengthening its "important stronghold of culture and propaganda." These diametrically opposed analyses appeared simultaneously, which has rather confused people.

The True Cause Discovered During a Trip to Beijing

What is the real reason for the change of director at RENMIN RIBAO? When the author went to Beijing toward the end of 1985, he made wide contacts with some friends in the press, and received direct information from an experienced editor of long standing with RENMIN RIBAO, and finally obtained a clear picture of the background of the current reshuffle.

The "Earthquake" Has Greatly Weakened RENMIN RIBAO

The whole thing started from the "earthquake" in RENMIN RIBAO that took place in 1983. In the campaign to "eliminate spiritual pollution" at that time, the then director Hu Jiwei, who had twice handed in his resignation so that a younger person could replace him, but who had been twice rejected, found his third resignation readily approved. It was announced that deputy chief editor Wang Ruoshui had been removed from office and appointed to another position. Former chief editor Qin Chuan took over the post of director, and was succeeded in the post of chief editor by the previous deputy chief editor Li Zhuan. That reshuffle greatly weakened RENMIN RIBAO. The leading body at the top level has gone from five members, comprising the director, the chief editor, and three deputy chief editors, to only three, the director, the chief editor, and a single deputy chief editor.

The Emergence of a State of Semiparalysis

In an organ like RENMIN RIBAO, with each of its words and actions catching the attention of all, its internal work highly intense, and its external contacts wide and complex, the three sole members of the leading body at the top level have found it very difficult to cope with the situation. In winter 1984, preparations for the overseas edition began, and its initial issue was published in July 1985. Tan Wenrui, the sole deputy chief editor, exerted all his efforts in taking care of the overseas edition, and he had no time to take care of other matters. The two editions of the paper must certainly be published daily. However, concerning internal work, in the words of some office personnel, it seemed that a state of semiparalysis had emerged, with nobody able to make a final decision.

It seems that over the past 2 years and more, the CPC top echelon has been continuously considering strenghening the leading body of RENMIN RIBAO. It was said from the very beginning that several writers of the Research Office of the CPC Secretariat, with Deng Liqun as the director, would be transferred to the RENMIN RIBAO office to take charge of the commentary and editing work. Later, it was said that the provincial CPC committee secretary of a province in the central plains would be transferred to Beijing to take charge of RENMIN RIBAO. Still later, rumor had it that people from the CPC Central Committee Propaganda Department, the Beijing Municipal CPC Committee, or a provincial newspaper would be transferred to support RENMIN RIBAO. But none of these expectations were realized for various reasons.

All Members of the Leadership Stratum at the Top Level Are Over the Stipulated Age for Retirement

In order to implement the principle of the leadership being younger in average age, it is all the more necessary to strengthen the leading body of RENMIN RIBAO, which is pressing for readjustment.

Both the director and chief editor of RENMIN RIBAO enjoy ministerial treatment. At present, Qin Chuan is 66, and Li Zhuan is 67; both over 65, the age stipulated for cadre retirement at ministerial level. The deputy chief editor enjoys deputy ministerial treatment. Tan Wenrui is 63 this year, over 60, the age stipulated for the retirement of cadres at deputy ministerial level. Although the retirement age for professional personnel in press organs is not as rigid as for administrative cadres, personnel in leading posts are required to retire at a certain age. RENMIN RIBAO reshuffled its leading bodies at all levels in 1985, and the responsible persons of all departments over the age of 60 have now retired, and been replaced by younger personnel. It is certainly inappropriate for the leadership at office level to be occupied by a leading body which is over the stipulated retirement age.

Therefore, it is said that the Central Secretariat made the decision back in autumn 1985 that the director and chief editor of RENMIN RIBAO should be younger in average age; however, in order to guarantee work in the office, of Qin Chuan and Li Zhuan, one of them would remain in his post for the time being.

The Choice Between Qin Chuan and Li Zhuan

Who would finally stay? To make the choice, great efforts seem to have been exerted. It is disclosed that since the late thirties, Li Zhuan has been engaged in journalism, and he has worked for RENMIN RIBAO since its first issue. He is very familiar with running a newspaper. Qin Chuan was a propaganda cadre in the days of Yanan and in the fifties. Later, he was assigned to take up leading posts in factories and schools successively. He was assigned to work at RENMIN RIBAO only after the conclusion of the "Cultural Revolution," and obviously is not as experienced as Li Zhuan in running a newspaper.

However, for a long time Li Zhuan has been working on news items, and he is rather overcautious, while Qin Chuan is bold in his work, and is more capable than Li Zhuan in handling external ties. Therefore, the personnel in the RENMIN RIBAO offices and relevant departments held different opinions as to whose staying would be more favorable to the work in the future.

The CPC Central Committee Organization Department Sent Its People To Solicit Suggestions in RENMIN RIBAO Offices

It is precisely because of this that Qin Chuan remains a member of the CPC Central Committee, despite the reshuffle in the personnel of CPC Central Committee organs in September 1985, or his future in RENMIN RIBAO was quite unsettled, as to whether he was staying for leaving. It was not until November 1985 that the CPC Organization Department sent several persons to solicit suggestions widely in the RENMIN RIBAO office, and the final decision was made that Qin should go and Li should stay.

It Is Not a Sudden Removal From Office for Qin Chuan

So that is the whole story of Qin Chuan's removal from office. Our friends in the Beijing press say: In the eyes of Hong Kong people, Qin Chuan seems to have been "removed from office" suddenly. But those who know the inside story say this is a natural course of development for the leading stratum of the RENMIN RIBAO office to become younger in average age, which is nothing extraordinary.

Neither Has Qin Chuan's Removal From Office Anything To Do With Showing Sympathy for Hu Jiwei and Wang Ruoshui

So, is the decision to remove Qin Chuan from office related to his failure to "draw a demarcation line" between himself and Hu Jiwei and Wang Ruoshui? Regarding this question posed by the author, the experienced editor of long standing with RENMIN RIBAO answered: "To say all the people in our office have supported Hu Jiwei and Wang Ruoshui might be rather absolute, but at least the majority of them have done so. Some Kong Kong newspapers and journals have reported on this, have they not? When the personnel of the office made their suggestions on whether Qin should go and Li should stay, it was chiefly out of consideration for making the process of the replacement of the leading body smoother, and by no means did they take into consideration that Qin Chuan has shown sympathy for Hu Jiwei and Wang Ruoshui, and therefore would not let him stay for the time being." He holds that such an analysis by Hong Kong people seems to be oversensitive.

The Central Discipline Inspection Commission Did Not Send an Investigation Group to the RENMIN RIBAO Office

How to account for the investigation group sent by the Central Discipline Inspection Commission to the RENMIN RIBAO office? A veteran editor of RENMIN RIBAO disclosed to me: "This is entirely a rumor." As the matter stands, the Central Displine Inspection Commission had received material exposing some problems of RENMIN RIBAO, and summoned some personnel of RENMIN RIBAO in order to learn the actual situation. No investigation group was ever sent to the RENMIN RIBAO office. However, the CPC Central Committee Organization Department did send people to the RENMIN RIBAO office, to handle the reshuffle of the leading body. The two affairs have been mixed up in the course of the news spreading. Also, the cases of Liu Binyan and Wang Ruoshui were a concern of people outside the RENMIN RIBAO office. Thus, the whole thing was said to be CPC Central Discipline Inspection Commission, sending an investigation group to be stationed in the RENMIN RIBAO office in order to solve the problems of Liu Binyan and Wang Ruoshui.

Why Was the Director of the RENMIN RIBAO Office Not Selected and Promoted From Among Cadres Within the Office Itself?

When the Central Committee Organization Department sent people to the RENMIN RIBAO office, was it simply to find a solution in choosing between Qin Chuan and Li Zhuan? "Of course not." The veteran editor said: "It is necessary to enhance the leading body of the office. The Central Committee Organization Department has also solicited opinions on who could be promoted to the leading body."

"Why was the director of the RENMIN RIBAO office not selected and promoted from among cadres within the office itself?" the writer pressed further.

"I am afraid I am not in a position to answer that question." The veteran editor paused. and continued: "However, it is obvious that the director of RENMIN RIBAO must keep in constant touch with the central authorities, and he should be able to attend the meetings of the Central Secretariat as a nonvoting member. Therefore, it is best for a member of the Central Committee to take the post. At present, it is obvious that the office has failed to find within itself such an appropriate person to take the post. However, the deputy chief editor will be selected from among cadres within the office itself, I think."

Are There Any Disputes Concerning Reforms Within RENMIN RIBAO?

"It is said that disputes have emerged within the office concerning how to deal with reforms. Is that true?" At this question from the writer, the veteran editor looked surprised, and asked what the writer was referring to. The writer briefed him the fact that some Hong Kong journals had carried the article by Lin Li. He seemed to grasp the point and said: "Yes, it did happen. Lin Li has written many articles giving a briefing on the Shenzhen Special Economic Zone. Some people feel that these articles have fully affirmed Shenzhen and overpraised its accomplishments, but have failed to point out its shortcomings and, hence, are one-sided. Lin Li does not agree with such criticism, and has written an article in refutation. That is the whole course of the matter."

"The personnel of RENMIN RIBAO resolutely support reforms, as can be proved by our newspaper. However, differing opinions often arise between editors and reporters as to whether some reports on reforms are well written or not. It is only normal for different opinions to exist and for there to be open discussions about them." Having briefed me on this situation, the veteran editor said somewhat humorously: "In fact, 'disputes' of this category are nothing new. They have a long history."

Why Was Qian Liren Selected?

Based on the author's coverage of Beijing, it seems that the current reshuffle of personnel in RENMIN RIBAO is not "one of the signs of the recent tightening up in Beijing," but is precisely one of the signs of Beijing persisting in reforms. Qian Liren, who has succeeded Qin Chuan, may well demonstrate this point with his personal experiences and political attitude; and the essence of RENMIN RIBAO since Qian Liren took office on 10 December 1985 may also demonstrate it.

Why has the CPC top echelon finally selected Qian Liren, who has no experience whatever in running a newspaper, to take charge of RENMIN RIBAO? One of the explanations the writer was given is: Under the situation of further opening up in mainland China with each passing day, RENMIN RIBAO should also be opening up as well, in order to make the essence of its reporting and work style suit the needs of facing the world. In the past, neither Hu Weiji nor Qin Chuan was good enough in this respect, because of the limitation in their experiences. It is precisely to open a new situation in this respect that Qian Liren, who has long been working on international liaison work abroad, was appointed to the post of director of RENMIN RIBAO.

As the CPC Central Committee organ, what will be the future trend of RENMIN RIBAO? From that we may understand the pulse of change in China.

NPC 4TH PLENUM NOT TO DISCUSS HONG KONG, MACAO

HK280403 Hong Kong HONG LONG STANDARD in English 28 Jan 86 p 5

[Text] The coming session of the National People's Congress of China in March will not discuss Hong Kong's Basic Law.

A visiting member of the NPC standing committee, Mr Hu Ke-shi told THE STANDARD he had received no agenda on any affairs on Hong Kong or Macao for the fourth plenum of the Sixth NPC which will begin on March 25.

Neither the NPC nor its Standing Committee had requested the Basic Law Drafting Committee to regularly submit progress report for scrutiny, Mr Hu said.

He was speaking to reporters after a launching ceremony of a Chinese publication in Hong Kong. He said the Standing Committee had fully entrusted the Drafting Committee to carry out the whole work and they would not step in the drafting process. The legislative body of China would only start discussion on the Basie Law after the Drafting Committee has completed the work or if it feels it necessary to hold discussion by the standing committee during the drafting process, he explained.

But if NPC delegates ask for a progress report, they may get one, Mr Hu said.

The full NPC will meet to approve the Seventh Five-Year Plan, for 1986-1990, the state's financial accounts for 1985, and the state budget and development plan for 1986.

DAILY REPORT

China

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29 January 1986

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Sino-Japanese Meeting

OW291022 Beijing XINHUA in English 0954 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) — The sixth round of regular consulations between the authorities in charge of foreign affairs of China and Japan, respectively, will be held in Beijing February 3 and 4, a Chinese Foreign Ministry spokesman announced at a weekly news briefing here today. During the consultations, he said, Chinese Vice-Minister of Foreign Affairs Liu Shuqing and Japanese Vice-Minister of Foreign Affairs Yanai Shinichi will exchange views on bilateral relations and international issues of mutual concern.

Li Xiannian To Visit 5 Countries

OW290908 Beijing XINHUA in English 0859 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) — Chinese President Li Xiannian and his wife will pay a state visit to Bangladesh, Sri Lanka, Egypt, Somalia and Madagascar beginning from the first half of March. This was announced by a Foreign Ministry spokesman at a weekly news briefing here this afternoon. President Li will be guest of the presidents of these five countries, the spokesman said.

Indochinese Communique

OW291016 Beijing XINHUA in English 0956 GMT 29 Jan 86

["China Says Vietnam Is Still Playing Tricks" — XINHUA headline]

[Text] Beijing, January 29 (XINHUA) — The recent communique issued by the "conference of foreign ministers of Vietnam, Laos and the Heng Samrin regime" was condemned here today as being a Vietnamese political and diplomatic trick.

A Chinese Foreign Ministry official told a press conference here that the communique, concocted by the Vietnamese authorities, was nothing new. It was merely another version of the remarks made by the Vietnamese minister without portfolio attached to the Ministry of Foreign Affairs, Vo Dong Giang, not long ago. This showed that the Vietnamese authorities had no intention of changing their policy of occupying Kampuchea. The official said it was known to all that the heart of the Kampuchean problem lay in Vietnam's invasion of that country. All other issues stemmed from that. Therefore, he said, the key to the solution lay in the termination of the Vietnamese invasion and occupation of Kampuchea, and the immediate withdrawal of all Vietnamese troops from the country. Vietnam had evaded this central issue by proposing a so-called solution through internal international negotiations, in an attempt to absolve itself from responsibility for the invasion and to seek recognition of the puppet regime of Kampuchea from the international community.

Offers Condolences on Shuttle

OW291332 Beijing XINHUA in English 1328 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) — A Chinese Foreign Ministry spokesman today expressed profound condolences on the explosion of the U.S. space shuttle, the "Challenger", and the death of the seven astronauts on board. Speaking at the weekly press briefing here this afternoon, the spokesman said Chinese President Li Xiannian sent a message of condolences to U.S. President Ronald Reagan in this regard.

TRADE WITH USSR, EASTERN EUROPE TO BE PROMOTED

HK271550 Beijing GUOJI SHANGBAO in Chinese 16 Jan 86 p 1

[Report by Li Changshou: "China to Promote Trade With the USSR and East European During Seventh 5-Year Plan Period"]

[Text] The volume of trade between China and the Soviet Union as well as the Eastern European countries will be increased substantially during the period of the Seventh 5-Year Plan as compared with that in the Sixth 5-Year Plan period.

Since the beginning of the 1980's, trade between China and the Soviet Union and other Eastern European countries has developed every year. The total volume of trade concluded according to agreements and supplementary agreements exceeded 10 billion Swiss Francs in 1985. So far China has signed 1986-1990 long-term trade agreements with all the above countries. Readjustments and supplements to these trade agreements regarding certain commodites may be made at annual trade talks in the coming years and and greater development in trade can be expected.

As far as export trade is concerned, apart from such traditional export items as light industrial products, textiles, local products, grain, oil, foodstuffs, mineral products, and chemical industrial products, China's electromechanical products will also be exported to the Soviet and Eastern European markets. As far as electronic products are concerned, Chinese color television sets, their component parts, receiver-recorders, and other electronic products will be exported to some Eastern European countries. Meanwhile, the exports to these countries of machine tools, measuring tools, cutting tools, handwork tools, small-sized agricultural machines, telecommunications equipment, and other mechanical products will also be expanded. With regard to the import trade, apart from general mechanical products, rolled steel, nonferrous metals, and chemical industrial products, China will also import some complete power generating units, coal mining complex equipment, and so on. In addition, China will also introduce technical transformation in some old plants in cooperation with the above-mentioned countries.

USSR, YAR DEPUTY PREMIERS DISCUSS PDRY SITUATION

OW290648 Beijing XINHUA in English 0631 GMT 29 Jan 86

[Text] Moscow, January 28 (XINHUA) -- The Soviet Union and the Yemen Arab Republic agreed today that the situation in the People's Democratic Republic of Yemen should return to normal as soon as possible and that any interference in its internal affairs is inadmissible.

According to a TASS report, the call by the two countries was made during a meeting here between Soviet First Deputy Premier Geydar A. Aliyev and visiting Arab Yemen Deputy Premier Muhammad Sa'id al-'Attar who arrived here yesterday to attend the first session of the Bilateral Economic and Technical Cooperation Commission. During the meeting Al-'Attar presented a letter from Arab Yemen President 'Ali 'Abdallah Salih to Soviet leader Mikhail Gorbachev. Details of the letter have not been disclosed. Observers here believe the letter may contain details of the situation in Democratic Yemen.

REPORTAGE ON EXPLOSION OF SHUTTLE 'CHALLENGER'

Li Xiannian Sends Condolences

OW290814 Beijing XINHUA in English 0801 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- Chinese President Li Xiannian sent a message today to U.S. President Ronald Reagan, expressing his "deepest sympathy" over Tuesday's explosion of the space shuttle Challenger, which killed a woman teacher and all the crew members.

President Li said he was "shocked to learn the sad news of the tragic death" of the seven people aboard the space shuttle. "I wish to express, on behalf of the Chinese Government and people, our deepest sympathy and condolences to the U.S. Government and people, and our heartfelt solicitude to the bereaved families," said Li.

PRC Embassy Message

HK290712 Beijing ZHONGGUO XINWEN SHE in Chinese 0315 GMT 29 Jan 86

["Chinese Embassy in the United States Sends a Message to the White House on the U.S. Space Shuttle Crash" -- ZHONGGUO XINWEN SHE headline]

[Text] Washington, 28 Jan (ZHONGGUO XINWEN SHE) -- The Chinese Embassy in the United States sent a message to the White House this afternoon (28 January) on the crash of U.S. space shuttle "Challenger," expressing its profound sympathies and condolences to the U.S Government and the family members of the crew killed.

The message says: We were shocked to learn the sad news that the space shuttle "Challenger" had exploded, killing a crew of seven. This is a tremendous loss to the United States and the American people. The PRC Embassy in the United States hereby expresses its profound sympathies and condolences to the U.S. Government and the family members of the seven crew members killed in the accident.

The U.S. space shuttle "Challenger" exploded over the Atlantic at 1139 U.S. Eastern Standard Time today, only 1 and 1/2 minutes after it was launched from the Kennedy Space Center at Cape Canaveral. The seven astronauts on board the spacecraft, including a schoolteacher named Sharon Christa McAuliffe, were killed in the blast. This is the most serious spaceflight accident since the Apollo ground test disaster on 27 January 1967 in which three people were killed.

After the unfortunate accident happened, the three major U.S. television stations (ABC, NBC, and CBS) cancelled their scheduled programs. They repeatedly broadcast video coverage of the explosion of the "Challenger" and reported the biographical notes on the astronauts killed and the reactions of people from all walks of life on this sad accident.

Reagan Mourns Loss

OW290128 Beijing XINHUA in English 0117 GMT 29 Jan 86

[Text] Washington, January 28 (XINHUA) -- President Ronald Reagan has cancelled his State of the Union Address scheduled this evening and postponed it till next Tuesday because of the explosion of the space shuttle Challenger which killed the crew of seven on board.

Reagan made a nationally televised speech this afternoon to mourn the death of the seven astronauts, calling them "pioneers" of the U.S. space program. He said today's tragedy, the worst in U.S. space exploration history, [is] a "national loss." However, the U.S. President said the future "belongs to the brave" and pledged that the United States will continue its experiments in space and will continue its space shuttle flights with more scientists and teachers aboard.

XINHUA 'Wrap-Up'

OW290850 Beijing XINHUA in English 0826 GMT 29 Jan 86

["Wrap-up: Teacher, Six Crew Members Die in Challenger Tragedy" -- XINHUA headline]

[Text] Beijing, January 29 (XINHUA) -- As 1,200 horrified students at the Concord High School in New Hampshire watched one of their teachers, Christa McAuliffe, hurtle into the sky aboard the televised liftoff of the space shuttle Challenger Tuesday morning, the giant U.S. spacecraft exploded killing McAuliffe and six crew members. According to press reports reaching here from the United States, less than two minutes after takeoff, crowds watching at the Kennedy Space Center in Florida, witnessed a huge ball of fire appear in the blue sky over the launch pad. People in the crowd, which included members of Christa McAuliffe's family, were stunned into silence. One woman began crying, "It's not there, it's just not out there."

The disaster marks the first time in the history of U.S. space exploration that a manned U.S. spacecraft has exploded on takeoff and is the worst accident in the 25-year history of manned space exploration.

Along with McAuliffe, the first woman civilian to be included on a U.S. space mission, the six other crew members included three trained pilots and an expert on laser technology. McAuliffe, 37, mother of two children, was chosen from among 11,146 teachers who applied in NASA's first private-citizen-in-space competition. She became the first woman civilian to be included in a U.S. space mission. Having undergone 120 hours of training, McAuliffe planned to give two 15-minute lessons aboard the shuttle televised to millions of school children to increase student interest in science and technology.

The commander of the flight was Francis Scobee, 46, who was making his second space shuttle mission. After earning a degree from the University of Arizona, he was trained as a jet pilot in Air Force. Scobee was selected as an astronaut in 1979 and made his first space flight in 1984. Ronald McNair , 36, was an expert on lasers, holder of a Ph.D from the Massachusetts Institute of Technology. He was chosen by NASA in 1979 and was also on a space flight mission in 1984. It was the first space flight for Challenger's pilot, Navy Commander Michael Smith, 40. He held a master's degree from the U.S. Navy Post-graduate School. The other woman on the flight was astronaut Judy Resnik, 36 and unmarried. She received a doctorate in electrical engineering from the University of Maryland. During her first space shuttle flight in 1984, Resnik used a robot arm to deliberately break away a chunk of ice built on the side of the space shuttle Discovery.

Air Force Lt. Col. Ellison S. Onizuka, 39, was recruited by NASA in 1978. He had earned two degrees from the University of Colorado. He was crew member on a secret Department of Defense space shuttle last January, the doomed flight was to have been his second mission. Crewman Gregory Jarvis was a 41-year-old aircraft engineer. He was a graduate of the State University of New York and the Northeastern University in Boston. His task on the mission was to conduct tests on the effects of weightlessness on fluid carried in tanks.

In Washington, no sooner had President Ronald Reagan heard of the news than he left a meeting with senior aides and hurried to watch in "stunned silence" as television networks replayed the explosion, which occurred at 11:40 a.m. EST.

Several aircraft and Navy vessels rushed to where debris from the space craft had fallen into the sea some 14 kilometers down range from the launch site. After ships and helicopters spent several hours searching the Atlantic off Cape Canaveral, Jesse Moore, who is in charge of manned space flights, told a press conference the crew had "practically no chance of survival." According to Moore, the U.S. National Aeronautics and Space Administration (NASA) refused to speculate about the possible causes of the disaster.

An earlier flight this month by the 108-ton spaceship Columbia was dubbed a "hard-luck" mission by observers after setting a record of seven delays in launching and landing because of bad weather and mechanical malfunctions. The observers predicted that as a result of those problems future shuttle flights might be delayed and this year's planned schedule of 15 space flights might have to be scrapped. Challenger's last flight was postponed twice before Tuesday's fatal launch took place. President Reagan, who decided to cancel his State of the Union speech scheduled for Tuesday night, said that there will be no more manned space missions until the cause of the disaster is established.

LI PENG MEETS U.S. BUSINESSMEN 28 JANUARY

OW281559 Beijing XINHUA in English 1506 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- Vice-Premier Li Peng met two groups of American visitors on separate occasions here this afternoon. One is a delegation from the U.S. Electronic Data Systems Corporation led by its President Mort Meyerson, and the other is Jack Murphy, chairman of the board and president of the U.S. Dresser Industrial Inc., and his party.

While meeting the U.S. Electronic Data Systems Corporation delegation, the biggest computer information network company in U.S., Li Peng was given a briefing by Meyerson on the setting up of the network and application of computers. Since its arrival in Beijing on January 23, the delegation has already discussed with Chinese departments concerned on the cooperation in the improvement of the use and application of computers and the establishment of an information processing center in China.

Later, when he met Murphy, Li exchanged views with him on on the training of Chinese enterprises mangement personnel. Murphy is here to seek economic and technical cooperation with China. The Dresser Industrial Inc. mainly produces petroleum, chemical and mining machines. Present at the meeting was Richard Hung-chi Feng, advisor to the corporation and son of Feng Yuxian, the late Chinese patriotic general of the Kuomintang.

SHIJIE ZHISHI ON ATTITUDE TOWARD AFGHAN ISSUE

HK271422 Beijing SHIJIE ZHISHI in Chinese No 2, 16 Jan 86 p 11

[Article by Wu Zu: "Show sincerity! -- Commenting on the Soviet Attitude Toward the Political Settlement of the Afghan Issue" -- capitalized passages published in boldface]

[Text] From 16 to 20 December last year, the foreign minister of Pakistan held indirect talks in Geneva with his counterpart of the Karmal regime of Afghanistan. Given the Soviet refusal to withdraw their troops from Afghanistan, the talks were again deadlocked. Both sides agreed to hold indirect talks again in February or March of this year. The last talks represented the sixth round of indirect talks held between the foreign ministers of Pakistan and the Karmal regime since 1982 under sponsorship of the UN secretary general. In the three preceding rounds of indirect talks, the Soviet Union assumed a tough attitude and insisted that a troop withdrawal was an affair between the Soviet Union and Afghanistan, in which no one had the right to intervene. In the three rounds of indirect talks since last year, the Soviet Union indicated that the troop withdrawal problem could be discussed. But both sides reached fundamental agreement only on three areas -- noninterference by each other, the seeking of an international guarantee, and the repatriation of refugees.

In mid-November last year, when the U.S. and Soviet heads of state met in Geneva, the Soviet Union assumed a conciliatory attitude and kept saying in a publicity campaign that it favored a political settlement of the Afghan issue, was unwilling to post troops in Afghanistan, and wanted to give priority consideration to the problem of withdrawing troops from Afghanistan. Such things as its willingness to achieve a political settlement under the auspices of the UN were also stated. These gestures on the part of the Soviet Union gave rise to widespread speculation and controversy in the international community. It was even held in some quarters that there had been a change in the Soviet attitude toward the Afghan issue. But facts show that this has only been a more subtle approach than before, with no change in its fundamental stand.

FIRST, ON THE AFGHAN BATTLEFIELD, THE SOVIET UNION STEPPED UP ITS PACE OF MILITARY SUPPRESSION LAST YEAR. To wipe out the effective strength of the guerrilla force, wreck and destroy its base of operations and cut off its transportation links with the outside world, the Soviet Army and the Karmal Army since early last year have launched four major offensives against guerrilla bases of Herat, Panjsher, Konar and Hoziyah. The number of offensives, the scale of attacks, and the ruthlessness of the means of suppression have rarely been seen since the start of the Soviet invasion of Afghanistan. In fighting, the Soviet Union has changed its practice of encircling guerrilla forces with the Karmal Army in the van, and Soviet troops now basically take the lead. It has also changed its previous strategy of running away after fighting. Instead, it has posted troops in important occupied areas preventing the resumption of guerrilla activities. To blockade border areas, the Soviet Army, in a break with normal practice has directly sent heavy forces to areas not far from the Afghanistan-Pakistan border. They have tried to annihilate guerrilla forces in encirclements, sometimes even crossing into Pakistan in pursuit.

In addition, the Soviet regime in Afghanistan has proposed autonomy for tribal areas and the convening of a meeting of border tribal areas and the tribes of the area of Hazarah. It has tried to win over tribal heads with heavy bribes, in order to make tribesmen cut off supplies and aid for guerrilla forces. This is in coordination with the Karmal regime's effort to wipe out the guerrillas.

Given the ruthless suppression and efforts to bribe and appease tribal areas, the Salang Highway leading from the capital of Kabul to the Soviet-Afghan border has basically been a smooth operation. The guerrilla base in Barikowt, Konar Province has been occupied, with its access roads blocked. All this has made things more difficult for the guerrilla forces. But the Soviet regime in Afghanistan has still not attained its goal. The guerrilla forces still have the support of the Afghan people. Last May, the seven groups representing the Afghan guerrillas overcame their differences and formed a new seven-group coalition (the Islamic Unity of the Mujaheidin of Afghanistan). They fought anti-encirclement battles together, avoiding direct attack from the enemy. They have basically maintained their effective strength and have dealt heavy blows to the enemy.

SECOND, THE SOVIET UNION HAS INCREASED PRESSURE ON PAKISTAN. From early last year to the end of October, the Soviet Army in Afghanistan launched more than 200 attacks in Pakistan's airspace with bombs and gunfire, twice as many as in 1984.

THIRD, IN THE POLITICAL SETTLEMENT OF THE AFGHAN ISSUE, THE SOVIET UNION HAS SHOWN SOME FLEXIBILITY IN ITS APPROACH. BUT NO SOLUTION WAS OBTAINED IN THE THREE ROUNDS OF THE INDIRECT TALKS BETWEEN PAKISTAN AND AFGHANISTAN LAST YEAR, WHERE THE KEY PROBLEM OF TROOP WITHDRAWALS WAS CONCERNED. The Soviet Union still insists on direct talks between Afghanistan and Pakistan, thus bringing talks to a deadlock.

Then, why should the Soviet Union have again assumed a positive attitude toward the political settlement of the Afghan issue? According to an analysis by the foreign press, its main purpose is to relieve the pressure from various quarters, improve its image in the Third World, abate verbal attacks against the Soviet Union in the international community, and switch from a passive to a positive position. Meanwhile, it is attempting to evade responsibility for its failure to withdraw its troops. It wants to prod Pakistan into recognizing the Karmal regime and consolidate its occupation of Afghanistan.

The Soviet Union has found itself in a tight spot on both the domestic and international fronts where the Afghan issue is concerned. Last November, the 40th UN General Assembly approved, by an overwhelming 122 votes, a resolution calling for the immediate withdrawal of Soviet troops. The Soviet Union is quite isolated internationally. On the domestic front, the Soviet Union has shouldered a burden. Of its 120,000 troops stationed in Afghanistan in its 6 years of aggression, there have been more than 20,000 casualties. Annual spending of over $2 billion has been incurred. But only 30 percent of the territory of Afghanistan with 40 percent of its population has been brought under control. There has been an outflow of more than 4 million refugees from Afghanistan. The morale of the Soviet troops is very low. In the Soviet Union, words and acts suggestive of dissatisfaction have also been noted. Analysts hold that the only way for the Soviet Union to pull itself out of its current plight is the immediate withdrawal of its troops. Whoever started the trouble should end it. The Soviet Union should show sincerity about the political settlement of the Afghan issue and avoid dragging its feet.

HU YAOBANG TALKS WITH PRESIDENT OF KYODO

Sino-Japanese Ties

OW291207 Beijing XINHUA in English 1153 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- General Secretary Hu Yaobang today praised Japanese Prime Minister Yasuhiro Nakasone and his Cabinet members for restraining from paying homage to Yasukuni Jinja shrine last autumn. Hu made the comment at a meeting with Shinji Sakai, president of Japan's KYODO NEWS SERVICE, at Zhongnanhai here this afternoon.

"China sets great store by its relations with Japan. To cherish the peaceful and friendly relations between the two countries, which come by not easily, the two sides should respect each other's national sentiments," he said. He said Chinese leaders hope to see stable development of trade between the two countries. The Chinese side will work to improve the quality of its export commodities as well as its trade system. "We also wish the Japanese side would make efforts to reduce substantially the imbalance in Sino-Japanese trade," he added. During the 70-minute meeting, Hu answered questions about Sino-Soviet relations, the relations between Japan and the Soviet Union, the situation in the Korean peninsula and China's political situation. Present on the occasion was Mo Qing, director-general of XINHUA NEWS AGENCY.

USSR Obstacles to Relations

OW291300 Beijing XINHUA in English 1243 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- Chinese Communist Party leader Hu Yaobang today called on the Soviet Union to make substantive efforts to remove the three major obstacles to the development of Sino-Soviet relations. The three obstacles are the stationing of large Soviet troops along the Sino-Mongolian and Sino-Soviet border, Soviet invasion of Afghanistan and Soviet support of Vietnamese invasion of Kampuchea. Hu pointed out, it is China's sincere hope that the Soviet Union makes substantive efforts to remove the three obstacles hindering the normalization of relations between China and the Soviet Union, thereby pushing forward bilateral relations.

Hu made these remarks at a meeting with Shinji Sakai, president of KYODO NEWS SERVICE of Japan, here this afternoon. On the exchange of visit between Chinese and Soviet foreign ministers, Hu said: "It depends on the development of the situation. It's hard to predict now," Referring to the relations between Japan and the Soviet Union, Hu said China welcomes the recent meeting of Japanese and Soviet foreign ministers, and hopes the two countries will solve their questions left over from history in a fair and reasonable way. "China also hopes that the improvement of Japanese-Soviet relations will contribute to the peace and stability in Northeast Asia," he noted. Hu expressed regrets over the large-scale military exercise staged by the United States and South Korea, which, he said, is "unwise".

Oct Plenum, Deng's Health

OW291206 Beijing XINHUA in English 1201 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- The Central Committee of the Chinese Communist Party will meet in October for the sixth plenary session, General Secretary Hu Yaobang announced here today. The October meeting will decide on the agenda for the 12th national party congress scheduled for late September and early October in 1987.

Hu said so at a meeting with Shinji Sakai, president of the Japanese news service, KYODO, here this afternoon. In response to Sakai's question, Hu said Deng Xiaoping is in excellent health. Deng made a speech on combating unhealthy tendencies at the January 17 meeting of the Standing Committee of the Political Bureau, Hu added.

NAKASONE RECEIVES GREETINGS FROM PRC LEADERS

OW281909 Beijign XINHUA in English 1834 GMT 28 Jan 86

[Text] Tokyo, January 28 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone today met Zhang Xiangshan, adviser of the International Liaison Department of the Chinese Communist Party, who is here to attend commemorative activities on the 10th anniversary of Chinese Premier Zhou Enlai's death. During the meeting,the Japanese leader expressed satisfaction with the second session of the Sino-Japanese Committee for Friendship in the 21st Century held in Beijing and Dalian last year. He said the next session of the committee to foster Sino-Japanese friendship will be held in Japan this year.

The two sides described the meeting as cordial and friendly. Zhang coveyed greetings from Chinese leaders Deng Xiaoping, Hu Yaoband and Zhao Ziyang to Nakasone. He also communicated to Nakasone a message from Zhou Enlai's widow Deng Yingchao expressing gratitude to Nakasone for his message commemorating Zhou Enlai's death. Premier Zhou Enlai died in Beijing on January 8, 1976.

DPRK WANTS PENINSULA 'NUCLEAR FREE ZONE'

OW281124 Beijing XINHUA in English 1041 GMT 28 Jan 86

[Text] Pyongyang, January 28 (XINHUA) -- Korea will launch an anti-imperialism, anti-war and anti-nuclear campaign this year in an effort to make the Korean peninsula into a nuclear-free zone, the newspaper DEMOCRATIC KOREA said in an editorial today. To prevent nuclear war is an urgent issue that people all over the world should work on together, the editorial said. The editorial suggested that all people, regardless of their political views, religious beliefs and governmental systems, should support anti-war and anti-nuclear activities, as well as peace efforts.

In a joint statement issued last December, the Workers' Party of Korea and 20 other political parties and social organizations said they hoped the Korean peninsula would be made a nuclear-free zone. The editorial stressed that the United States should respond to the tripartite talks proposed by the North side and withdraw its troops and nuclear weapons from South Korea to prevent the danger of a nuclear war.

COMMENTARY VIEWS INDOCHINESE MINISTERS MEETING

HK281206 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Jan 86 p 6

[Short commentary: "An Old Fraud, a New Trick"]

[Text] The so-called 12th meeting of foreign ministers of the "three Indochinese countries" was held in Vientiane from 23 to 24 January under the manipulation and direction of the Vietnamese authorities. The communique issued by the meeting declared: It is necessary to speed up the "process of dialogue," so that "a political resolution of the Cambodian issue can be reached soon" and "Southeast Asia turned into a peaceful and stable region." However, throughout the communique, we cannot find a shred of sincerity in the seeking of a political solution to the Cambodian issue. They are sticking to the so-called "stand based on five points" and those unreasonable demands that have long been despised. In fact, the Vietnamese authorities have always refused to withdraw all their invasion troops from Cambodia, stubbornly adhering to their stand of aggression against Cambodia, while trying in vain to deceive the world media by the trick of a "process of dialogue" and "political solution."

Of the so-called "three Indochinese countries," one is the arch-criminal which launched and is currently engaging in the war of aggression against Cambodia, and another is the puppet regime propped up by Vietnam. This war evoked by them is exactly the greatest danger to peace in Southeast Asia. But now they chatter about "establishing peace and stability in Southeast Asia" and seeking a "political solution" to the Cambodian issue. This is indeed a gross mockery. One must note that the communique of this meeting of foreign ministers of the "three Indochinese countries" claimed: Cambodia's internal problems must be solved through negotiations between the so-called "People's Republic of Kampuchea," a puppet regime, and the "various Khmer opposition factions and individuals, with the aim of finding a way to realize national reconciliation based on the prerequisite that the Pol Pot clique is excluded," as well as to effect the withdrawal of the Vietnam troops. It is quite obvious that the Vietnamese authorities, prating about a "political solution" and "national reconciliation," want to gain legitimacy for the Cambodian puppet regime by deceiving the world, undermine the unity of the three Democratic Kampuchean factions, disintegrate the Coalition Government of Democratic Kampuchea, and thus keep Cambodia under long-term occupation and control with the Cambodian puppet regime as their agent. What smug calculations by the Vietnamese aggressors!

The Cambodian issue arose from Vietnam's armed invasion of a sovereign state. Therefore, the only solution to the issue is the complete and unconditional withdrawal of the Vietnamese troops, followed by the exercise of the right of self-determination by the Cambodian people free from external intervention. The resolutions on the Cambodian issue adopted by seven UN General Assemblies have represented a strong demand by the world people, namely, the Vietnamese authorities must withdraw their troops from Cambodia. This is the prerequisite for any political solution to the Cambodian issue. Neither the Vietnamese authorities nor their supporters can ever deceive world media by harping about "dialogue" and "political solution" and by evading the crux of the issue.

It must be pointed out that the Vietnamese authorities are actually thinking of a "military solution" while talking about a "political solution" and "dialogue." They continue to deploy troops to launch dry-season offensives again and again, and their plan to withdraw their troops by 1990 is based on their very dream of completely wiping out the Democratic Kampuchean patriotic Armed Forces in 5 years.

The communique of this foreign ministerial meeting of the "three Indochinese countries" also said that they "unswervingly cherish and wish to resume soon the long friendship with the Chinese people." Meanwhile, however, the Vietnamese authorities once again launched an anti-Chinese drive, wantonly attacking China's domestic and foreign policies. The Vietnamese also distributed documents in the United Nations viciously attacking China with venomous slander. Is this the "sincerity" about holding "dialogue" that the Vietnamese authorities are always declaring!

This clumsy farce enacted through the foreign ministerial meeting of the so-called "three Indochinese countries" will only expose once again the evil intentions of the Vietnamese aggressor.

DK Decries as 'Hoax'

OW281238 Beijing XINHUA in English 1109 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- The Coalition Government of Domestic Kampuchea denounced in a statement the meeting of foreign ministers of Vietnam, Laos and the Hanoi-backed Heng Samrin regime as a hoax, radio Democratic Kampuchea reported today. The statement, issued yesterday, said the meeting was another step in getting public backing to legalize Vietnamese occupation of Kampuchea.

The three foreign ministers at their 12th meeting held on January 23 and 24 in Vientiane, the capital of Laos, discussed the Kampuchea issue. A communique issued at the meeting's conclusion, said 1990 is still the time set by Vietnam for withdrawing its troops from Kampuchea. The statement said it is Vietnam's intention to annex Kampuchea to its manipulated "Indochina federation" by every means. In the past seven years, the statement said, the Vietnamese have killed tens of thousands of Kampuchean people with conventional and chemical weapons and by imposing a "famine policy" on the Kampucheans. At the same time, Hanoi has sent 700,000 Vietnamese to settle in Kampuchea. The statement also noted that the United Nations has adopted several resolutions calling for the withdrawal of Vietnamese troops from Kampuchea and to let the Kampuchea solve their own problems. The Coalition Government of Democratic Kampuchea also has repeatedly demanded the Vietnamese withdrawal. But, the Vietnamese authorities have ignored these pleas, the statement added.

DK FORCES INFLICT HEAVY CASUALTIES ON VIETNAMESE

OW281200 Beijing XINHUA in English 1038 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- The Democratic Kampuchea National Army has inflicted hundreds of casualties on Vietnamese troops in attacks on Vietnamese strongholds last week after they liberated Sithor Kandal town in Prey Veng Province, radio Democratic Kampuchea reported today. According to the radio report, on January 21 the National Army attacked a Vietnamese battalion headquarters in Kanchriech District, Prey Veng Province, killing two Vietnamese and wounding some others. The local administration was wiped out in the raid.

On January 23, the Kampuchean resistance forces stormed a Vietnamese office in the Krabau area of the Kamchay district in the same province, the radio said. A week earlier, the National Army raided a camp in the Koh Sautin district, Kampong Cham Province, killing six Vietnamese and destroying four barracks, the radio said.

HUANG HUA SENDS OFF ZIMBABWEAN SENATE LEADER

OW260902 Beijing Domestic Service in Mandarin 1200 GMT 24 Jan 86

[Text] Makombe, president of the Zimbabwean Senate, and his wife left Beijing for home by plane this morning after successfully concluding their friendly visit to China. The distinguished guests were seen off at the airport by Huang Hua, vice chairman of the NPC Standing Committee, and others.

CULTURAL DELEGATION LEAVES FOR AFRICA

OW282031 Beijing XINHUA in English 1510 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- A Chinese Government cultural delegation led by Vice-Minister of Culture Lu Zhixian left here by air this evening on a friendly visit to Gabon, Liberia and Senegal. The delegation will confer with cultural departments of the above-mentioned countries on strengthening bilateral cultural exchanges and cooperation.

LIBYA SEEKS DIRECT TALKS WITH UNITED STATES

OW280726 Beijing XINHUA in English 0655 GMT 28 Jan 86

[Text] Cairo, January 28 (XINHUA) -- Libyan Foreign Minister 'Ali al-Turayki today said that Libya is seeking direct talks with the United States to resolve the current crisis, according to reports from Tripoli. 'Ali al-Turayki told the press that Libya has invited Ronald Reagan's administration to meet with the government of Colonel Mu'ammar al-Qadhdhafi to prevent an escalation of the current confrontation. "We are in favour of dialogue with any country except Israel," he said.

'Ali al-Turayki expressed approval of Moroccan King Hassan II's offer to mediate between Libya and the U.S. He again denied any Libyan involvement in the terrorist attacks in Rome and Vienna airports at the end of last year, saying "we disapprove of such acts." He warned that if the U.S. Sixth Fleet crossed the territorial limit claimed by Libya on parallel 32.5 in the Gulf of Sidra "it would create a very dangerous situation for which the U.S. would bear full responsibilities." But he added, so far the Sixth Fleet has not crossed the line and "I hope they will not do so." The U.S. and a number of Western countries have refused to recognise Libya's claim to the Gulf of Sidra. The U.S. Sixth Fleet is conducting a week of naval air exercises in the adjacent area. The foreign minister also assured American workers and companies operating in Libya that they would be welcomed to remain if they chose to ignore U.S. Administration's order calling on them to leave the country. There are some 1,500 American oil workers and engineers and dozens of American companies are working in Libya's oil industry. U.S. President Reagan has imposed economic sanctions against Libya for alleged Libya's involvement inthe two terrorist attacks. But, most Western European countries have declined to cooperate with the U.S.

PDRY PRIME MINISTER PLEDGES 'NONINTERFERENCE'

OW280820 Beijing XINHUA in English 0753 GMT 28 Jan 86

[Text] Djibouti, January 27 (XINHUA) -- South Yemen's Prime Minister Haydar al-'Attas (?today) pledged to continue a foreign policy of non-interference and to promote ties with the Soviet Union, Ethiopia and other Arab countries. In a television address last night, he praised president Abdallah Salih of Arab Yemen for his "positive stand" on the latest developments in his country and promised to work for better relations with the neighboring Arab state. "We will not change our foreign policy. We will work to improve ties with Etihipia, Moscow and states in the Arabian Peninsula with whom we have mutual interests," he added. According to informed sources who have just arrived here from Aden, tension is mounting in some provinces and fighting continues between the supporters of 'Ali Nasir Muhammad and those of Al-'Attas.

DENG'S 17 JAN SPEECH RELAYED TO DISCIPLINE MEETING

HK290617 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 28 January begins its regular evening newscast with a 2.5-minute film clip on the CPC Central Discipline Inspection Commission's 28 January Seventh Plenary Session held in Beijing. The film shows the commission's Second Secretary Wang Heshou addressing the session and "relaying Comrade Deng Xiaoping's speech delivered at a 17 January meeting of the Political Bureau Standing Committee, and Comrade Chen Yun's written instructions on issues about senior cadres using limousines." The 2.5-minute report does not give details of Deng's speech.

The film then shows the Commission's Permanent Secretary Han Guang addressing several hundred people at the plenary session held in an unidentified conference room in Beijing. The following is the full text of the 2.5 minute report:

[Begin recording] [Announcer] According to a report filed by our station reporters (Yan Pingzhou) and (Chen Zhen), the Seventh Plenary Session of the CPC Central Discipline Inspection Commission was held today in Beijing. Central Discipline Inspection Commission Second Secretary Wang Heshou relayed Comrade Deng Xiaoping's speech delivered at a 17 January meeting of the Political Bureau Standing Committee, and Comrade Chen Yun's written instruction on issues about senior cadres using limousines. Central Discipline Inspection Commission Permanent Secretary Han Guang relayed the CPC Central Committee Secretariat's instructions on the Central Discipline Inspection Commission's report, and read out the outline for the report on issues about rectifying party style. He said: The recent meeting of cadres of central organs held by the CPC Central Committee Secretariat called on central organs and leading cadres to set good examples in the course of rectifying party style. The central authorities have showed the greatest determination in improving party style fundamentally, and have adopted effective measures. This session of the Central Discipline Inspection Commission proposes to implement further the spirit of the National Conference of Party Delegates and the spirit of the meeting of cadres of central organs, and to focus on discussing ways of checking unhealthy trends and rectifying party style.

The session established the Central Discipline Inspection Commission's major tasks for the year: This year, it is imperative to concentrate forces on relentlessly checking several unhealthy trends; it is imperative to crack down severely on speculation, swindling, smuggling, traffic in smuggled goods, bribery, accepting bribes, and other illegal activities and criminal offenses in the economic field; and it is imperative to successfully conduct education in party style for party members and to rigorously strengthen discipline.

The session noted: To fulfill the tasks for this year, it is imperative to promote a continuous improvement in our work. The central authorities, party committees at all levels, and party organizations of all departments must all pay special attention to problems concerning party style so as to bring about a situation in which the whole party pays special attention to party style. In checking unhealthy trends, it is imperative to do well in stressing major, important and typical cases and focal points. With regard to those who shut their eyes to serious problems that harm socialist construction, it is imperative to investigate and affix the responsibility of relevant party organizations for such problems. We must conduct criticism and self-criticism, perfect regular activities of party organizations, strengthen ties among political, legal, organizational, and propaganda departments, and continuously enhance the quality of discipline inspection cadres. During the session, comrades attending the session will discuss and examine three documents, namely, the outline for the report on issues about rectifying party style, a draft resolution on certain issues concerning the rectification of party members' ideology and style of work under the new circumstances, and a draft circular on strengthening discipline.

Responsible comrades of discipline inspection departments from some provinces, municipalities, autonomous regions, central and state organs, and the Military Commission attended the session as nonvoting delegates. [end recording]

'SHOWY DISPLAYS' BY LEADING CADRES CRITICIZED

HK281144 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Jan 86 p 2

[Commentator's article: "The Masses Are Watching Us"]

[Text] For the wedding of his son, a leading cadre at the bureau level in a certain place feasted with his guests around 76 tables, used more than a dozen cars, and received cash gifts exceeding 10,000 yuan. And a restaurant had to stop doing business with the public on the day.

An assistant manager of a company in a municipality of a province paraded his wealth for the funeral arrangements of his mother and also received a large number of funeral gifts. The funeral procession covered scores of kilometers with eight cars and a large funeral band. All the spectators looked askance at it.

The deputy head of a county died of disease. His funeral arrangements lasted 4 days and cost 4,340 yuan.

The above are complaints made by the masses in a written form to the central departments concerned, exposing unsound practices carried out by some leading cadres. These cadres went in for showy displays for the funerals or marriages of their relatives or their leaders; they even used them as a pretext to receive gifts. All this has created a very bad impression among the masses. Some people sneered at it as "ill-gotten wealth," others sighed with feeling and said it was "bitterly disappointing."

Arranging funerals or weddings is in fact a personal affair. The government only advocates cremation and encourages people to make funeral arrangements simple, and it does not interfere in these personal affairs. As the people's income goes up, when some families prepare for the wedding of their sons or daughters, they want to invite their relatives and friends to a small feast. This is quite natural and normal in human relationships. However, our party cadres, especially some leading cadres, invite large numbers of people to a grant feast. They want to give themselves airs, but actually they defame our party. They fill their pockets with large amount of cash gifts, but they damage the image of our party. For this reason, this is not a personal affair, but an important matter concerning party style.

Some comrades say that they have worked in a place for decades; they certainly know a large number of people around them. When they make funeral arrangements or prepare for weddings, they would have no excuse if they failed to make these ceremonies presentable, and they would have no excuse for refusing gifts from friends. Some comrades even describe it as saying "courtesy demands reciprocity" and allege that "their relations with the masses are good." This is really gross deception. What do you mean "courtesy demands reciprocity?" People present gifts to your faces but shout abuse behind your backs. Do you really not hear this abuse? If people say this is in fact blackmail in a disguised form, can your argue with them? What do you mean "your relations with the masses are good?" If you are not "high-ranking officials," can you have such good "relations?" If we establish relations with the masses in this way, can we really improve party conduct and make a success of the four modernizations?

The broad masses of the people are very discontented with such malpractices by a few cadres, and they are submitting written statements to the central authorities to expose these unhealthy tendencies. This shows that they trust our party and they assume the rights conferred on them by the state Constitution. In improving party conduct, we launch no campaigns and want no one to make a self-criticism so as to pass the test, but we cannot refuse supervision from the masses. The masses are watching us. If anyone conducts unsound practices or violates discipline and the law, can he escape the observation of the masses?

At a meeting of the staff of departments directly under the party Central Committee and the State Council, Comrade Hu Yaobang, on behalf of the party Central Committee, solemnly declared: According to our party's rules and regulations, all honest and fair-minded comrades inside and outside the party have the right to accurately report to the party Central Committee any serious dereliction of duty or violation of laws and discipline conducted by our party organizations at any level. This is a "solemn declaration" from the party Central Committee, not chitchat. It shows the firm determination of our party to rectify the party's style of work. It also tells us: The road from the masses to the party Central Committee is accessible.

PUNISHING CRIMINALS THROUGH LEGAL MEANS URGED

HK271056 Beijing ZHONGGUO FAZHI BAO in Chinese 20 Jan 86 p 1

[Commentator's article: "Those Who Commit Crimes Should Be Punished Under the Law"]

[Text] Recently, some major cases have been handled in various localities, and some powerful people in high official posts have been punished according to the law, as they were involved in these cases. This conforms with the will of the party and the people and should be affirmed. Facts have clearly shown us that the problems of some party members and cadres have become serious. Their malpractices should not be regarded as mistakes that they committed due to the lack of experience in work or the lack of a correct understanding of the new situation. These people did not accidentally take a wrong step in the reform explorations; rather, they have been deeply corrupted by decadent ideologies and have abandoned communist ideals. They have even sold their souls, disregarded the interests of the state and the people, and acted beyond the limits of the law. They are no longer the people's public servants; instead, they have degenerated into guilty people condemned by the public. Their perverse acts constitute a main source of unhealthy tendencies in society and a crucial reason why the fundamental turn for the better in our party style could not be implemented in the past. If their corrupt practices were allowed to develop unchecked, our cause of economic reforms, our socialist modernization program, and our socialist democracy and legal system would fail.

Comrade Deng Xiaoping recently pointed out in unequivocal terms that the correction of unhealthy tendencies "should mainly rely on two means -- the means of education and the means of enforcing the law." Most cadres in our party are good or comparatively good cadres. In the new historical period, how should they further improve party style and set a good example for people throughout the country? The basic way to achieve this purpose is to require them to intensify their study of Marxist theory and receive further education. However, for those corrupt cadres whose problems are so serious that their cases have fallen into another category, they have gone so far as to reject any criticism and education; they are no longer redeemable. So legal action must be taken against them. Those who committed crimes must be punished according to the law! This must not be taken lightly, and these people must not be forgiven under the pretext of "just this time." No person is allowed to "turn serious problems into minor ones and turn minor problems into nothing." In the handling of these cases, the criminals should be brought to court for trial, and inner-party disciplinary or administrative disciplinary measures should not be substituted for legal procedures.

We should severely punish those party cadres who have used their power to seek private gain, violating criminal law to a serious extent and causing serious consequences. We should do this just as we executed Liu Qingshan and Zhang Zishan in the early 1950's. Without taking such severe action, we will not be able to rectify our party style, to warn others against following these bad examples, to educate more people, and to arouse the enthusiasm of the masses for our construction.

The general public is glad to see that we take legal action to punish the criminal offenders inside our party. This shows we are correct in taking these actions. But we must point out here that some lawbreakers have not been punished as they deserve. There are many reasons: For example, a considerable number of people, especially some leaders, have not established in their minds the concept of acting according to the law. They are used to substituting inner-party disciplinary measures or administrative measures for legal procedures. In some localities, the handling of criminal cases involving powerful or influential people is obstructed by the authorities concerned or by various social "connections." In addition, some leading cadres indiscriminateiy apply the principle of "being strict in ideological education and being lenient in disciplinary and legal measures" to all cases, and some people have a prejudiced idea that party cadres will merely commit mistakes and will never commit crimes. Now the party central leadership has explicitly pointed out that law and discipline must be strictly enforced and the enforcement of the law and the conduct of ideological education should be simultaneously carried out in the course of setting aright the party style. To achieve this purpose, our comrades in the judicial departments should redouble their efforts.

Of course, when we emphasize the necessity of punishing criminal offenders according to the law, we must base all legal actions on facts, and all legal decisions must be in line with the law. We never mean that we will start arresting and bringing people to court indiscriminately. Through many years of efforts in building the legal system, we have now enacted a series of laws, regulations, and legal procedures. They are effective weapons for us to protect the people and to punish criminal offenders. All actions must conform with the law; all laws must be enforced strictly; and all lawbreakers must be punished. Only thus can we effectively crack down on criminal activities and can we deal blows at criminals accurately, effectively, and severely. Otherwise, we will let off evildoers, wrong good people, and do harm to our cause. Our comrades in the judicial departments must pay close attention to this point.

LIAOWANG DETAILS CRIME, PUNISHMENT EXAMPLES

HK271316 Beijing ZHONGGUO XINWEN SHE in Chinese 1230 GMT 26 Jan 86

[Text] Beijing, 26 Jan (ZHONGGUO XINWEN SHE) -- Some cadres have made contributions and are competent in their work, but if their problems are serious, we should not be softhearted toward them and should not condone them under the pretext of "just this time." This practice will in fact abet the corruption of cadres. Now we should act like Zhuge Liang who "executed his beloved General Ma Su in tears," and should resolutely investigate and punish those people who should be punished according to the law and facts without being influenced by people's entreaties for the lawbreakers.

This is the viewpoint of a signed article carried by LIAOWANG weekly in its issue No 4, published tomorrow.

Since the CPC National Conference of Party Delegates in September last year, a number of major cases have been handled in the course of rectifying party style:

-- The Beijing Municipal CPC Committee and the party's municipal Discipline Inspection Commission have seriously handled five bureau-level cadres committing economic crimes and violating law and discipline.

Among these people are Yin Zhinong, former deputy manager of the Shoudu Iron and Steel Company, expelled from the party and sentenced to 6 years' imprisonment for gaining 8,000 yuan by illegally reselling steel products; Ma Xueliang, former party committee secretary and director of the Beijing Municipal Public Utilities Bureau, dismissed from all official posts inside and outside the party, expelled from the party, and arrested for being derelict in his duties and taking more than 3,5000 yuan in bribes and conniving in illegal economic activities of the municipal gas company; and Wu Yutian, former party committee member and deputy general manager of the municipal foreign trade general company, dismissed from all official posts inside and outside the party for taking bribes from Hong Kong businessmen and causing $110,000 in economic losses to the state.

— Yu Xicang, former party secretary and manager of the Guangdong Provincial Medicine Company, and some other cadres made use of their functions in handling the export of Chinese herbal medicine to accept such bribes as color TV sets, cameras, and bicycles from Hong Kong businessmen in exchange for giving opportunities for them to gain unfair and illegal profits. Their corrupt practice caused more than HK$10 million in economic losses to the state. These corrupt cadres have been sentenced to imprisonment for life or for a set term.

— Fujian Province cracked a major speculation and fraud case and Du Guozhen, the principal criminal in this case, was arrested. In this case, 21 party and government cadres took bribes from Du and gave the green light to Du's swindling activities. These cadres have all been punished according to state law and party discipline. They include Liu Ashun, deputy administrator of the Ningde Prefectural People's Government; Hu Liangji, former party secretary of Xiapu County; Wu Jincai, deputy administrator of a suburban district of Fuzhou City; and Zheng Tingcan, director of the law court in Gulow District, Fuzhou City.

The LIAOWANG article says: The problems in party style are related to many aspects in society. The rectification of party style must rely on joint efforts of the whole party. This is particularly true in the handling of major cases. The major cases often involve many departments and units. All relevant departments and units, especially their leading bodies, must lend their active cooperation in order to clearly investigate and properly handle these cases. At present, this point has been noticed by party committees at all levels and in all localities. For example, the central and local party, government, judicial, and discipline inspection departments have joned hands in investigating and handling the case of Du Guozhen in Fujian. The article also says: In recent months, some results have been achieved in the rectification of party style and in the enforcement of party discipline, and some experience has been accumulated in this regard. More and more cadres have strengthened their confidence in effecting a fundamental turn for the better in our party style. They dare to uphold the principles and show no mercy to lawbreaking activities. Many localities and units have adopted effective measures and methods. Because the leading cadres in some localities and units have raised their consciousness and boosted their morale, they now dare to deal with powerful people and settle knotty problems and cases. Those well-built criminal "fortresses" have been destroyed one after another.

BAN YUE TAN CITES POLITICAL, SOCIAL ACHIEVEMENTS

OW280133 Beijing XINHUA Domestic Service in Chinese 0845 GMT 26 Jan 86

[Editorial department of BAN YUE TAN: "Reference Materials: The 70 Achievements Since the 3d Plenary Session of the 11th CPC Central Committee"]

[Text] Beijing, 26 Jan (XINHUA) — 1. Since the crushing of the "gang of four," and especially since the 3d Plenary Session of the 11th CPC Central Committee, we have accomplished the arduous task of setting our guidelines and thinking on the right course and have achieved significant victories in restoring order to actual operations on all fronts, effecting about a great historical change.

2. Ideologically, we have smashed the long-standing highly restrictive bonds of dogmatism and personality cults and reinstated the Marxist ideological line of seeking truth from facts. We have restored the original feature of Mao Zedong Thought, and upheld and developed Mao Zedong Thought under new historical conditions.

3. We have ended long-standing social unrest, and introduced a lively political situation marked by stability and unity. Socialist democracy and law have been gradually improved, equality and unity among all nationalities have been strengthened, and the patriotic united front has been further broadened. The current period is one of best since the founding of the republic.

4. The leading bodies of party and state organs at all levels have been readjusted, reorganized, and consolidated. The restructuring of the party Central Committee and the State Council, as well as of leading organs of various provinces, municipalities, and autonomous regions has been accomplished. Leading organs at all levels have been replenished with a large number of more revolutionary cadres; they are better educated, younger in average age, and professionally more competent. The succession of new cadres in leading bodies at all levels has been greatly accelerated.

5. In 1982, the Fifth Session of the Fifth NPC deliberated on and adopted the new Constitution, which is a sound cardinal law in our country's legislative history. The state's legal system has become more consolidated with the introduction of more than 300 important laws, including such fundamental laws as the criminal law, the law of criminal procedures, the civil law, the inheritance law, and so forth.

6. With the open trial of the 10 principal culprits of the Lin Biao and Jiang Qing counterrevolutionary cliques, and the expulsion of Kang Sheng and Xie Fuzhi from the party, we have destroyed the counterrevolutionary political force running rampant for a decade.

7. We have earnestly rehabilitated cadres and people persecuted by the Lin Biao and Jiang Qing counterrevolutionary cliques during the "Great Cultural Revolution," and corrected the mistakes of broadening the antirightist scope and opposing the right deviationist tendency.

8. We have implemented policies toward Taiwan compatriots, families of compatriots in Taiwan, and over 400,000 former Kuomingtang defectors, removed the labels of over 4.4 million people branded as landlords and rich peasants; and corrected the mistake of mislabelling 710,000 small traders and handicraftsmen as capitalists.

9. Direct election of people's representatives has been expanded to county-level units. Direct county-level elections were held in 1981.

10. A conspicuous change for the better in public order has been achieved following the stern rebuff dealt to serious economic crimes and criminal offenses. China has one of the lowest crime rates in the world.

11. We have corrected the bias against intellectuals, reaffirming that intellectuals are part of the Chinese working class on the forefront of modernization. Respecting intellectuals and proficient personnel has gradually been worked into a new social consciousness.

12. The PLA has achieved remarkable successes in its revolutionization, modernization, and regularization and in defending the frontier areas, safeguarding national security, and contributing to socialist construction. A decision was made to reduce the PLA strength by 1 million people. Border defense units have won major victories in self-defense counterattacks against Vietnam.

13. As a result of promoting socialist ethics, a large number of units, villages, and townships known for their socialist culture, as well as five good families have come to the fore on all fronts in all regions.

14. A large-scale party rectification was launched in the country. With the exception of the rural areas, where party rectification has just begun, over 20 million party members in country-level units and above throughout the country participated in party rectification, thus heightening their party spirit and political consciousness and improving party conduct.

15. Correct principles and policies toward Taiwan have been set in the NPC Standing Committee's "Message to Taiwan Compatriots," and in the 9-point principles for the settlement of the Taiwan issue. The proposal for establishing postal, trade, and communications ties with Taiwan and the "one country, two systems" concept have triggered a strong response in Taiwan and received extensive support from Chinese nationals living overseas.

16. The formulation of the law of regional autonomy of minority nationalities and the adoption of special policies toward national minorities have greatly expedited economic and cultural development in regions inhabited by national minorities. National unit, has been strengthened, and ties between various nationalities have entered a new stage of development.

17. The Sixth 5-Year Plan was overfulfilled in all sectors. The targets set for the output of major industrial and agricultural products were fulfilled or overfulfilled 1 or 2 years ahead of schedule. A new situation marked by sustained, steady, and coordinated development appeared in the national economy, which has been vigorously growing. The gross national product exceeded 1.5 trillion yuan in 1985, averaging an annual growth of over 10 percent during the 5-year period. National income exceeded 610 billion yuan, averaging an annual growth of over 9 percent during the 5-year period. During the 5-year period, financial receipts grew at an average of over 10 percent, significantly exceeding the anticipated 170 billion yuan. The successful accomplishment of the Sixth 5-Year Plan has laid a solid material foundation for our country's economic takeoff.

18. The proportion between heavy and light industries, a fundamental issue long unresolved in our country's economic construction, has become more coordinated in recent years. Generally speaking, agriculture, light industry, and heavy industry have now each contributed one-third of the nation's gross industrial and agricultural output value; light industry and heavy industry have now each contributed half of the gross industrial output value.

19. Generally, the task of striving for a fundamental improvement of the nation's financial and economic situation has been achieved. Beginning in 1982, the state's decreasing revenue began to grow. In 1985, revenue and expenditure were balanced and deficit-free. It is expected that total state revenue and nonbudgetary funds of local authorities, departments, and enterprises in 1985 will exceed 300 billion yuan, or nearly 100 percent more than in of 1980.

20. The gross industrial output value in 1985 was 823.8 billion yuan, an increase of more than 100 percent over 1978.

21. During the first 4 years of the Sixth 5-Year Plan period, state-owned units invested a total of 526 billion yuan in fixed assets, and acquired 368 billion yuan in new fixed assets. A total of 469 large and medium-sized projects were completed.

22. Energy production continues to grow. At the end of 1985, the nation's coal output ranked second in the world, and the power and crude oil output ranked fifth and sixth, respectively.

23. Significant growth has been registered in communications, postal, and telecommunications services. The converted railway traffic [tie lu huan suan zhou zhuan liang 6993 6424 2255 4615 0719 6567 6852] exceeded 1 trillion metric ton-kilometers in 1985. Four major electrified railways have been commissioned. During the Sixth 5-Year Plan period, over 80 new air routes were inaugurated, and they completed an aggregate 4 billion metric ton-kilometers of air transportation, up 167 percent over that of the Fifth 5-Year Plan period. During the Sixth 5-Year Plan period, 54 new deep-water berths, each capable of accommodating 10,000 metric ton-class or larger ships, were built, increasing handling capacity by over 94 million metric tons each year.

24. Significant progress has been achieved in the electronics industry. The total value achieved in the electronics industry in 1985 is expected to be 200 percent higher than the target set for the Sixth 5-Year Plan period. The average growth during the period was at least 22 percent. The technology of producing a new generation of electronic goods has been mastered.

25. The steel industry has achieved further growth. Steel output in 1985 reached 46.7 million metric tons, up 7 percent over 1984. The first-stage project of the Shanghai Baoshan Steel Complex, with late-1970 world technology, has been commissioned for production. In addition to supplying over 4 million metric tons of steel to the state each year, thus alleviating the state's steel shortage, the plant can also advance the technology of the nation's steel industry and the manufacture of steel equipment.

26. A new way of opening up to the outside world has been established. In addition to the four special economic zones, namely Shenzhen, Xiamen, Zhuhai, and Shantou, 14 coastal cities -- Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang, and Beihai -- have become open cities, and Hainan Island as well as the Chang Jiang and Zhu Jaing deltas and the Ziamen-Zhangzhou-Quanzhou triangular region has also become an open economic zone.

27. By the end of 1985, $20 billion of foreign capital was spent on establishing 1,800 joint ventures, and in importing thousands of advanced technologies and key equipment into the country, essential to upgrading the quality and increasing the variety of the products from Chinese enterprises as well as to improving their economic performance.

28. China has established economic and trade relations with more than 170 countries and regions. The nation's import and export total reached $49.77 billion in 1984, an increase of 141 percent over 1978. In terms of export volume, China now ranks 16th in the world, having risen from 32d place in 1978.

29. While public ownership occupies an absolutely dominant position, various economic forms have appeared. By June 1985, over 40,000 small state-operated commercial enterprises had become collectively operated, over 5,000 had become collectively owned, and over 5,000 others had been collectively leased. After the change in economic and operational methods, business volume, as well as the amount of profits and taxes turned over to the state, has increased significantly.

30. Industrially, the reform of the planned administrative system has reduced the scope of the guidance plan and market regulation, profit delivery has been replaced by tax payment, enterprises have been granted greater authority in making decisions, and experiments have been carried out in selected factories in allowing their directors take charge of operations. All this has increased the enterprises' vitality noticeably.

31. The economic administrative system marked by barriers between higher and lower levels and between departments and regions has been smashed. Economic and technical cooperation has been carried out extensively between various regions and various trades and professions; horizontal economic ties have been developing vigorously. During the period between 1983 and October of 1985, there were over 60,000 economic and technical cooperation projects between various regions and between regions and departments in the country, giving rise to various new forms of operation, including integrated economic establishments in urban areas, transprofessional and transregional integrated enterprises, technical markets, and networks providing consultative services.

32. In the first 4 years of the Sixth 5-Year Plan period, living quarters with a total floor space of over 430 million square meters were built in urban areas, or 107.5 million square meters each year. This was nearly 600 percent higher than the 18 million square meters of new living quarters built each year during the decade of the "Great Cultural Revolution."

33. Tourism registered rapid growth during the Sixth 5-Year Plan period. Between 1981 and October of 1985, the number of tourists visiting China exceeded 52 million. During the 1978-84 period, the amount of foreign exchange earned from tourism exceeded $5 billion.

34. A multiform system of contracted responsibilities based on households with remuneration linked to output has been introduced in rural areas. This great socialist pioneering undertaking of the Chinese peasants has fundamentally changed the old system that restricted agricultural productivity and has charted a new course for developing socialist agriculture with distinctive Chinese characteristics.

35. A breakthrough has been made in agricultural production. Bumper grain harvests have grown, for 6 successive years, by an average of 34 billion jin annually. The total grain output in 1984 broke the 800-billion-jin mark, surpassing the 1978 record by 205.1 billion jin. Cotton production in that year totaled 120 million dan, breaking the 40-million-dan-per-year record which lasted from 1958 through 1978. The problem of food and clothing has been basically resolved.

36. Specialized households have mounted the historical stage as forerunners in commodity production. Because of their relatively high labor productivity and the rather large percentage of marketable products from their total production, these households have become a major force in rural economic development. Now the number of rural specialized households in our country has increased to 4.25 million, or approximately 2.3 percent of the total households in rural areas.

37. In rural areas a variety of cooperative economic systems have begun. A two-tiered operational structure combining family operations and cooperative operation has appeared. Village and township enterprises, which include collectively-run, jointly run, and individually-run enterprises, have also appeared. In addition, more than 460,000 new integrated economic establishments have emerged, while rural supply and marketing cooperatives and credit cooperatives have gradually resumed their cooperative nature. All these have contributed to a radical change of the old, solely collective economic mode characterized by "collective labor and centralized management and distribution."

38. The rural economy has become increasingly vigorous in the course of being reformed. During the Sixth 5-Year Plan period, the gross value of agricultural production increased at an average rate of 10.8 percent annually, far exceeding the average annual growth rate of 3.2 percent registered in the 26 years preceding 1978. In 1985 the gross value of agricultural production was more than 370 billion yuan.

39. Peasants' income has shown steady growth. In 1985 the average net income earned by a peasant was about 400 yuan. This was 13 percent higher than the preceding year and was 209 yuan more than 1980. Peasants' consumption has risen 9.1 percent annually, changing the almost stagnant situation of an average annual growth rate of 1.8 percent for 26 years preceding 1978.

40. Making a new start in late 1970's, village and township enterprises have become an important component of the national economy. The total production value of these enterprises rose from 72 billion yuan in 1980 to 230 billion yuan in 1985. The accumulated total of rural laborers employed by village and township enterprises has reached 60 million.

41. The sole exchange of products between cities and countryside has been replaced by development of secondary and tertiary industries through their joint efforts. Extensive development of multiform, multilayered, and multicomponent economic and technical cooperation has become one of the significant trends in China's economic development.

42. A smooth start has been made in reforming the purchase and sales system of agricultural and sideline products. The 39 agricultural and sideline products originally designated as items for state-monopolized purchase and fixed-quota purchase have all been excluded from such purchases, with a few exceptions. With the state plan as guidance, the market has begun to function as a mechanism to direct peasants' production.

43. A significant step has been taken to adjust production structure in rural areas. The solely agricultural production structure has begun to change into a multilayered production structure. In 1980 forestry, animal husbandry, fisheries, manufacturing, and sideline production accounted for 36.3 percent of the total agricultural production value. In 1985 the percentage reached 49 percent.

44. Animal husbandry, long a "shortcoming" in China's rural economy, has shown rapid development. The nation's livestock production value in 1985 is expected to reach 55.24 billion yuan, reaching a record high. Compared with 1980, this shows a 62.5 percent rise; the average increase per annum is 10.2 percent.

45. Village and township construction has progressed at a faster pace. During the 6 years from 1979 to 1984, peasant housing totaling 3.5 billion square meters in floor space has been built in the villages of our country. This is more than the total housing constructed in the 30 years preceding this period. The construction work of the more than 50,000 market towns in our country is in a fine, vigorous state.

46. The situation under which incomes of urban and rural people remained unchanged for many years has changed. During the Sixth 5-Year Plan period, the average annual wage of urban workers increased by 414 yuan from 762 yuan in 1980 to 1,176 yuan in 1985 [figures as received], or at an average annual rate of 4.7 percent after adjustment for higher commodity prices. The per-capita income of rural people increased by 209 yuan from 191 yuan in 1980 to 400 yuan in 1985, or at an average annual rate of 14 percent after adjustment for higher commodity prices. At the end of November 1985, average urban and rural per-capita bank savings were 150 yuan.

47. Since 1979, China has made great achievements in job placement owing to the "three-in-one" policy of placement through the labor department, jobs in voluntarily organized collectives, and jobs found by individuals themselves. During the Sixth 5-Year Plan period, 35 million additional jobs were created for urban people. The unemployment rate dropped to 1.5 percent in 1985, as compared with 4.9 percent in 1980.

48. In 1985, China took a bold step in reform of its pricing system, rationally readjusted buying and selling prices of grain and the buying price of cotton in rural areas, and gradually decontrolled prices of other agricultural and sideline products. These reforms have prompted production and commodity circulation, invigorated the market, and improved the people's livelihood.

49. In the last several years, we have carried out commercial reforms by maintaining state-operated, collective, and individual commerce at the same time; practicing open commodity circulation; adopting diverse economic forms, multiple circulation channels, and various modes of operation; reducing intermediate links in circulation; and setting up trade centers. The reforms are playing a positive role in invigorating the economy, promoting production, and making the masses' livelihood better.

50. The third census was successfully conducted. The scale of the census was unprecedentedly large, and it was of high-quality compared with censuses conducted by various countries.

51. In early 1985, China, for the first time, organized an expedition to conduct surveys of the South Pacific and Antarctica and set up its first Antarctic scientific observation station -- China Antarctic Changcheng Station -- on 20 February on King George Island.

52. The scientific and technological reform is progressing steadily and has yielded good results. Since the state scientific and technological invention award system was restored in 1979, state invention awards have been issued to winners for 1,089 scientific and technological achievements as of the end of 1985. By the end of October 1985, more than 500 trade fairs for scientific and technological achievements had been held in various localities in China. At the first national trade fair for scientific and technological achievements held in Beijing alone, some 15,000 transactions amounting to 2 billion yuan were concluded.

53. The "Galaxy" supercomputer, capable of performing 100 million operations per second, was successfully developed in 1983.

54. From 1978 to 1985, China launched 10 man-made satellites. In 1984, it successfully developed and launched its first synchronous communications satellite. Since China successfully launched its first man-made satellite in 1970, it has launched a total of 17 man-made satellites of various types. Currently, China is one of the few advanced countries capable of launching man-made satellites with its own carrier rockets and of recovering launched satellites.

55. Having rapidly developed higher education, China now has 1,016 colleges with a total enrollment of 1.5 million. During the Sixth 5-Year Plan period, 1,535,000 students graduated from colleges.In he last 7 years, more than 20,000 students have been sent to study abroad by the state, and several thousand students have entered foreign colleges at their own expense. In 1981, China formally instituted the system of academic degrees. In 1985, ther were 46,500 graduate students pursuing either a doctorate or master's degree in China.

56. Adult education has been the best in history. In 1985 there were 1,216 adult schools of all kinds throughout the country, with a total enrollment of 1,725,100. They have provided training for nearly 100 million people.

57. The structure of secondary education has undergone a tremendous change. The ratio between senior vocational and technical middle schools and regular senior middle schools is 1:1.28. About 40 percent of junior middle school graduates are admitted to vocational schools. In 1985 there 3,557 secondary specialized schools and 8,070 agricultural vocational schools.

58. Progress has been achieved in popularizing education, with the primary school attendance rate reaching 95.9 percent, and elementary education becoming universal in one-third of countries across the country.

59. TV networks have developed rapidly, now totaling over 300 stations. The number of annual TV drama productions has increased from 14 in 1979 to some 1,300 in 1985.

60. Literary and artistic creation has continuously flourished. Some 800 novels were written in the past 7 years, topping the total number of those written during the 17 years before the "Cultural Revolution" by more than 4 times. Thousands of novelettes and tens of thousands of short stories were written annually. Some 760 movies were shot in the past 7 years, more than the total number of those produced during the 17 years before the "Cultural Revolution." A total of 209 outstanding plays received awards in nationwide drama performances.

61. Cultural undertakings, including libraries, museums, and other cultural establishments for the masses, have developed rapidly. At present there are 2,216 libraries, 612 museums, 3,019 cultural centers, 50,000 cultural stations, 24,604 urban and mining workers' cultural palaces and clubs, and 8,934 small-town cultural centers run by the provinces, cities (prefectures), and counties. They form a preliminary cultural network throughout the country.

62. Publishing has advanced continuously. In 1979 some 17,000 books were published across the country. The figure rose to 40,700 in 1984, with a total of some 6.3 billion copies printed. The number of books obtained annually by each individual throughout the country averaged more than 6, exceeding the average number of the developed countries.

63. The people's physical fitness has continuously improved. According to 1982 census statistics, the infant mortality rate had decreased to 34.68 per 1,000 while the life expectancy had risen to 67.88 in 1981. Both figures are approaching the level of developed countries.

64. The trend of excessive population growth has been brought under control; the population increases according to plan. Between 1979 and 1984, the annual population growth rate was 12.31 per 1,000, decreasing from the first 9 years of the 1970's by 5.7 per 1,000.

65. Chinese athletes have scored brilliant records in world and Asian competition. Wiping out the disgrace of never having won a gold medal in the 52-year history of Chinese participation in the Olympic Games, China won 15 gold medals at the 23d Olympics. At the Ninth Asian Games, China ranked first in gold medals won, topping Japan for the first time with 61. Between 1979 and 1984, Chinese athletes won a total of 173 gold medals and broke 114 world records in the Olympics, world championships, or world cup tournaments.

66. China's mass sports has entered a golden period of vigorous development, with about 300 million people across the country regularly participating in sports training.

67. Based on the concept of "one country, two systems," the Chinese Government and the British Government conducted negotiations and signed a joint statement successfully settling the Hong Kong issue. China will resume its sovereignty over Hong Kong on 1 July 1997. The settlement of the issue is of great significance for both the Chinese people and various countries in the world.

68. As a result of readjusting the foreign policy and steadfastly implementing an independent and peaceful foreign policy, China has made important achievements in relations with foreign countries, is enjoying greater prestige in the international arena, and is winning the friendship and cooperation of more countries and people. From the beginning of 1979 to the end of 1985, 17 more countries have established diplomatic relations with China.

69. Exchanges with foreign countries have increased. In 1985 alone, Chinese leaders successively visited some 30 countries in Asia, Africa, Latin America, Europe, North America, and the South Pacific region while heads of state or the government of 26 countries visited China. Exchanges of visits by leaders have enhanced mutual trust and understanding, and resulted in the signing of many agreements in economic, cultural, and scientific and technological cooperation. There have also been tens of thousands of people-to-people exchanges every year.

70. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC has developed relations with political parties in foreign countries in accordance with the principles of independence, complete equality, mutual respect, and noninterference in each other's internal affairs. The CPC currently maintains relations and contacts in various forms with some 190 political parties and organizations in the world.

Commentator Reviews Changes

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[BAN YUE TAN Commentator: "What Do the Changes Over the Past 7 Years Show?"]

[Text] Beijing, 26 Jan (XINHUA) -- It has been 7 full years since the 3d Plenary Session of the 11th CPC Central Committee, a meeting significant as a milestone in Chinese history. Reviewing the course traversed in these 7 years is absolutely necessary if we want to obtain a correct understanding of the situation and appraise our work to find out its rights and wrongs, gains and losses. To this end, this journal has compiled a series of materials under the title "The 70 Achievements Since the 3d Plenary Session of the 11th CPC Central Committee."

When reading these materials, we will all feel they are familiar and touching. If we say that the success of the people's democratic revolution in 1949 brought about an earth-shaking change in our age-old and vast land, then the various major policy decisions adopted since the 3d Plenary Session of the 11th CPC Central Committee have enabled our young republic to make a great, historically important turn. Under the leadership of the party Central Committee, our undertakings over the past 7 years have drawn worldwide attention. History has recorded all those magnificent undertakings: eliminating chaos and restoring order, conducting full-scale reform, proposing the "one country, two systems" concept, carrying out an independent foreign policy.... The series of principles, policies, and measures of the CPC have evoked surprise and admiration and have been eyed with a new attitude both at home and abroad. They are described as China's "second revolution" and "the greatest experiment hitherto appearing in all economic history."

Our achievements over the last 7 years under the leadership of the party Central Committee are universally acknowledged. A situation characterized by political stability and unity is increasingly consolidated, an economic take-off is gaining momentum, the people's livelihood is steadily improving, and New China's influence on the world stage is expanding. People at home feel exultant whenever the current situation is discussed. They all agree that it should be recorded in capital letters in Chinese history.

Public opinion abroad regards China's reform as something that is "remodeling the world" and "changing the course of history," pointing out that "the time has come" for the "Chinese giant to shake the world."

The tremendous changes over the past 7 years are the result of our party's integration of the universal truth of Marxism with our country's concrete practice. We will always uphold the fundamental principles of Marxism. The socialist road, the party leadership, the people's democratic dictatorship, and Marxism-Leninism-Mao Zedong Thought -- these four fundamental principles constitute the basis for formulating our policies. In the meantime, things in China will have to be handled in light of China's conditions. We will not go by the book or metaphysics but by the truth alone. Upholding the policy of seeking truth from facts as advocated by Comrade Mao Zedong and proceeding from China's reality, the party Central Committee, with Marxist courage and resourcefulness, has dared to break through a few Marxist conclusions and theses and thereby creatively develop Marxism.

Marx and Lenin were great men. The Marxist-Leninist theory they founded has displayed a great vitality and withstood the test of time. However, it shoud be acknowledged that the field of vision of a great man, whoever he is, will always be limited. There were no cars in Marx's time, Engels never rode in an airplane, and Lenin never saw a sound motion picture.

Let us review the history. We have now entered the age of electronics and space. Let us look at the world. Our planetary body covers a vast area, and various countries and nationalities differ in a thousand and one ways. It was impossible that our revolutionary teachers should foresee actual problems in the course of making revolution, in carrying out construction in every country, and at every stage so many years after they died. It was also impossible that they could provide posterity with a key for solving the various problems which they themselves had never encountered. The Soviet Communist Party led by Lenin had broken through the individual thesis that "in building socialism, it is impossible to score victory in one country," attaining success in the October Revolution. From the lessons learned at the cost of blood, Comrade Mao Zedong and the Chinese Communists had deviated from the path of "staging uprisings in cities" and adopted the method of carrying out armed struggle by encircling the cities from the rural areas in creating New China. All these are glorious examples in solving new problems and further developing Marxism in light of the new situation by using Marxism's basic theories.

In rejuvenating the Chinese nation and building socialism with Chinese characteristics in the 1980's, we must also adhere to the basic theories of Marxism, dare to break through individual conclusions and theses, realistically solve China's actual problems, and further develop Marxism-Leninism-Mao Zedong Thought.

Public opinion will decide which is right and which is wrong, and there are objective standards in verifying which is which. In our socialist nation, the most important criterion in determining whether a policy is right or wrong and if it has merits or demerits is to see if this policy is conducive to national prosperity and the people's well-being. Our achievements in the past seven years indicate that the principles and policies implemented since the 3d Plenary Session of the 11th CPC Central Committee conform with the three tasks laid down by Comrade Deng Xiaoping in his opening speech at the 12th National CPC Congress in making our party, our cause of socialism, and our country and nation grow and flourish.

In doing everything in the past seven years, our party has always kept the interests of the people in mind. This has reflected the aspirations of the people, winning their support. The series of principles and policies laid down by the party during the past seven years are precisely the products developed by combining the determination of the party Central Committee with the aspirations of the people.

All the achievements in the past 7 years are rich fruits reaped from practices of hundreds of millions of people under the leadership of the party Central Committee. It is impossible to score achievements in developing such a magnificent cause without the changes accomplished by our predecessors and the full support of the people.

When we look back, we realize that our journey in the past 7 years was not smooth and that our victory was hard-won. We have met a great deal of difficulties and resistance. It was inevitable that we had some setbacks and committed some errors. Naturally we would hear some gossip and complaints. However, we have made a breakthrough smoothly. We have broken the solid ice and opened up the channel in which the socialist boat is plowing through the waves, unfurling its sails completely -- sails hoisted by the 3d Plenary Session of the 11th CPC Central Committee.

In the past 7 years, we have attained unexpected achievements, creating extremely favorable conditions for our future developments. We can forecast with full confidence that in the next 7 years, the next 10 years, [as received] we will definitely be able to score even greater achievements if we continue to unite as one in struggle along this triumphant path and work hard tenaciously and in a down-to-earth manner. We will certainly be able to triumphantly fulfill the magnificent targets put forward by the party Central Committee by 2,000, 2021, [as received] and 2049.

KAIFANG ON CARRYING OUT OPENING UP POLICY

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[Article by Jiang Feng: "Firmly and Correctly Carry Out the Open Policy"]

[Text] Opening up to the outside world is a basic national policy of our country. It was not formulated at will, and it cannot be changed at will. We must firmly and correctly carry out this policy on a long-term basis.

The 3d Plenary Session of the 11th CPC Central Committee decided to shift the focus of the party's work to socialist economic construction. In order to realize the objective of the four modernizations,the party then formulated the policy of opening up to the outside world and enlivening the domestic economy so as to arouse all positive factors. The policy of opening up to the outside world represents a powerful current in China's new historical period. It symbolizes her self-confidence and progress and shows her bright prospects for development and prosperity. The courage and insight demonstrated in the formulation of this strategic policy decision comes from a scientific and realistic spirit and from the sense of responsibility for shouldering the new historical mission. So we can also say that the opening up policy is a product of the advance of the times.

First, the opening up policy is based on Marxist theory. The present world is an open world, in which economies of all countries are more and more closely interrelated and interdependent. Marx and Engels pointed out in the "Communist Manifesto": "The bourgeoisie has, through its exploitation of the world market, given a cosmopolitan character to production and consumption in every country." They also said that all established national industries have been dislodged by new industries, whose introduction has become a life and death question for all nations; the new industries not only use local raw materials but also draw raw materials from remote areas; their products are not only consumed at home but also in all parts of the world. The old local and national seclusion and self-sufficiency have been replaced with exchange in every direction and with the universal interdependence of nations. This brilliant argument reveals the general trend of the world's historical development.

Human history over the past 100 years and more has fully proved the correctness of this statement, which is precisely the theoretical foundation for our policy of opening up to the outside world.

Second, we have profound and painful historical experience in this regard. Over a long period in the past, especially after the Opium War, China was always in a passive position and was vulnerable to attack. China suffered heavily from this. National seclusion was an important reason for China's poor and backward conditions. Comrade Deng Xiaoping said: "After reviewing historical experience, we have found that an important factor for China's long-standing stagnation and backwardness is national seclusion." "Our experience shows that construction in a country can never be successful if the door is closed; China's development cannot be separated from the world." National seclusion will just lead to poverty, backwardness, ignorance, stupidity, and barbarism, and will certainly leave the nation in a passive and vulnerable position; only by opening up can we have extensive knowledge and learn from the strong points of all other nations to offset our shortcomings and build up our strength in international competition.

Third, there is not only an actual need for opening up, but it is also possible to adopt this measure. Our country now is much better than it was before, but it is still rather poor compared with developed countries, and the economy and culture of our nation are still in a backward condition. Comrade Deng Xiaoping pointed out: Poverty is not a characteristic of socialism. Socialism must eliminate poverty. The fundamental task of socialism is to develop productive forces and to gradually improve the people's material and cultural lives. How should we fulfill the task of developing productive forces? We must adhere to the four basic principles, rely mainly on our own efforts and strength, proceed from our existing economic foundation, and actively solicit external support to compensate for our shortage of funds, technologies, and skilled manpower. This is a correct line for us in quickening the pace of our socialist construction. The party Central Committee's proposal for the formulation of the Seventh 5-Year Plan emphasizes that the purpose of acting in light of the general requirement of building socialism with Chinese characteristics and in light of the general policy of opening up to the outside world and enlivening the domestic economy is to consolidate and develop the present good situation in our country and to advance more rapidly on the road to economic prosperity and to a comfortable and happy life for the people.

In the 30 years after the founding of the PRC, because of the influence of the "leftist" ideas at home and the international blockade and restraints imposed by some countries against us, we did not properly open up to the outside world. Now the situation has changed. At home, our party has reestablished a Marxist line, and a new and dynamic atmosphere has appeared. The international political and economic situation has also become rather favorable to us. Developed countries are seeking an outlet for large amounts of surplus funds; a new worldwide technological revolution is surging ahead; new and rapid technological progress and flourishing technological exchanges have replaced technological blockade, and more and more new technologies have been transferred from one country to another. All this provides objective conditions for us to bring foreign funds, technologies, and intellectual manpower into our country. We must make full use of this favorable situation and must not lose this opportunity; otherwise we will make a historical mistake. Practice since the third plenary session shows that our opening up policy is completely correct. This policy has achieved marked results and has played a profound and far-reaching role in promoting our economic development. However, our implementation of the opening up policy is just in the initial stage. There are still problems we must seriously solve. For example, our import and export have not been conducted in an orderly way; our overall economic control and management have not kept pace with the development of the situation; and we have not effectively assimilated imported technologies so as to make use of them in a creative way.

At present, we must continue overcoming obstructions in two aspects in order to carry out the opening up policy. On the one hand, we should break the shackles of the old conventions, ideas, and structures left by the old practice of national seclusion. These things often obstruct the implementation of the opening up policy. When we encounter some problems in the course of opening up, some people come out to criticize the opening up policy and claim that they have predicted these problems. On the other hand, the obstruction comes from some people's malpractices. These people break laws and deviate from the opening up policy, but they do so under the guise of supporting and carrying out the opening up policy. Thus, they in fact seriously tarnish the reputation of this policy. In recent years, we have done a great deal of work in overcoming these obstructions. Henceforth, we must remain sober-minded and must guard against those irresponsible and reckless ideas and actions and prevent them from disrupting our strategic arrangements.

We must be more resolute and conscientious in carrying out the opening up policy. Some people are worried that our opening up policy may be changed. Such worries are uncalled-for. Our central leading comrades have repeatedly and clearly announced that our opening up policy will never change. Comrade Deng Xiaoping said: "China will carry out the policy of opening up on a long-term basis." The policy of enlivening the domestic economy and opening up to the outside world is a long-term policy rather than a short-term policy. If there is any change in the future, the change will only make our country open wider. Comrade Hu Yaobang said: "Opening up to the outside world and expanding foreign economic and technological exchanges on the principle of equality and mutual benefit is an unchangeable strategic policy of our country." In recent years, we have gradually expanded the open areas and have added new content to the implementation of the opening up policy. Following the establishment of the four special economic zones and the opening of Hainan Island, we have opened 14 coastal cities, the Zhu Jiang Delta area, the Chang Jiang Delta area, and the southern Fujian triangle area between Xiamen, Zhangzhou, the Quanzhou cities. We have continuously increased imports and the introduction of foreign funds. All these concrete steps and measures show that our country will not change the guiding principle for opening up but will just advance toward a goal of making our country open wider.

At present, our tasks in the implementation of the opening up policy are to review our experience, continue our practice, unify popular understanding, raise our work efficiency, and work more resolutely to create a new and healthier situation.

First, we should proceed from our objective conditions to determine the degree and scope of opening up and to compose an overall program for opening up so that we may work in a planned and orderly way. When making use of foreign funds and introducing technology and equipment, we should do our best to avoid and reduce blindness, and should give consideration to the following things: the importance and urgency of imported projects in the overall program of our country's four modernizations; the advanced character, adaptability, economic results, and social benefit of any imported project; our backup and service capacity and our ability to assimilate the technologies involved in such a project; the proportion of export in its products and the competitiveness of these products in international markets; and the balance of foreign exchange payment in the deal. Comrade Zhao Ziyang pointed out: In the final analysis, the amount of foreign funds available for use does not depend on our wishful thinking but mainly on our country's solvency and our ability to build backup facilities for imported projects and to assimilate advanced technologies. In order to make use of more foreign funds and introduce more advanced technologies, the key is increasing exports and increasing foreign exchange earnings. At present, we must seriously solve the following problems for the purpose of increasing exports:

1. We should reasonably change the makeup of our export goods and improve their quality so as to effect a fundamental change of the present situation in which we do not have a rich variety of export goods and do not export large quantities of goods, and our export goods are poor in both quality and competitiveness. To achieve this, we should first adopt advanced technology and equipment in the establishments which produce export goods and provide pre-production and post-production services.

2. We should adopt various forms to actively open international markets for our products through diverse channels so as to export our goods to all parts of the world.

3. We should reform the sysem of foreign trade management and arouse the initiative of the export goods producers and handlers. Under the premise of subjecting all foreign trade activities to the centralized management, we should actively promote the integration of foreign trade with industrial and agricultural production and with technological development. We should establish export production bases and allow localities and enterprises which have necessary conditions to directly handle trade. In addition, we should adopt some policies to encourage export-oriented production and export trade in the aspects of raw material supply, prices, taxation, credit, and foreign exchange retention and use.

We should also use foreign exchange properly. We should not only be active but also cautious in importing technologies and equipment. Consideration should be given to the overall distribution of industry in the whole province and in the whole country in order to ensure the rationality of the overall industrial structure, and product makeup, and to prevent the import of the same item through different channels and the lopsided development of the economy. In order to ensure the correctness of our decisions, we should carefully consider whether to import the complete set of equipment or just import some component parts and individual machines, whether to import the hardware or the software, and whether to import raw materials. When we can get an item on domestic market, we should not import this item from abroad. We must ensure that our limited foreign exchange is used in areas where foreign exchange is most urgently needed and ensure that the use of foreign exchange can achieve the highest economic efficiency and the best social results.

Second, we should strengthen management so as to guarantee and promote the smooth implementation of the opening up policy. If our management work does not keep pace with the development of the situation, disorder and lawlessness may appear. So, we must perfect our legal system, handle affairs strictly according to law, and seriously enforce law and discipline. We must realize that an instruction from any individual leader cannot replace the established laws. Punishment must be resolutely meted out to people who violate law and discipline by taking advantage of opportunities in the course of opening up, and to people who deliberately obstruct the implementation of the opening up policy and clog the channels for opening up, thus causing serious losses. We should prevent the appearance of a disorderly situation in the course of opening up and should also prevent the inactive situation caused by rigid management.

Third, we must more deeply and extensively give publicity to the policy of opening up to the outside world so as to deepen people's understanding of this policy and enhance their work efficiency in carrying out this policy.

1. We should make people realize that the policy of opening up to the outside world is in agreement with the principle of self-reliance. Self-reliance should not be equated with national seclusion. The implementation of the opening up policy will strengthen our internal foundation through external economic exchange, and will thus increase our self-reliant capabilities. Opening up is an indispensable means of effectively invigorating China in modern times.

Now, we have laid a strong socialist economic foundation, so the foreign capital we introduce in a planned way will not affect the socialist nature of our economy.

2. We should study capitalist practice in doing business with foreigners. Previously, we maintained a "bureaucratic" style when doing business with capitalists and thought that we were "adhering to our own principles." In fact, that was a very stupid practice. Lenin said: "If a communist is trying to conclude any treaty with a bourgeois state in accordance with communist principles, then we should send him to the madhouse...or if a communist is trying to include communist principles in the contracts signed with foreign capitalists in light of the concession policy, he is also close to being a madman. In this regard, we must know the capitalist way of doing business; without this knowledge, we will go nowhere." Lenin's words tell us that we must act in a highly flexible way when doing business and cannot rigidly apply the communist principles in our dealings with international capital. In this regard, only the principles for commodity exchange are practical.

3. When dealing with international capital, we must be sober-minded and should cast away all illusions. Comrade Chen Yun once warned: "We must soberly realize that foreign capitalists are no different from capitalists in general. What they want to achieve in their business is just profit, and they will never allow their profits to go below the average profit rate on international markets. There is no capitalist in the world willing to do business under the condition of gaining profits at a rate lower than the average profit rate." So when conducting foreign economic and technological exchanges, we should not have any unrealistic illusions. Otherwise, we may incur heavy losses just for seeking small gains. We must carefully weigh the advantages and disadvantages of a deal and carefully select the option which is most favorable to us.

4. When studying foreign things, we should have a criticial attitude. As Comrade Mao Zedong pointed out, "We should learn from strong points of all other nations and learn from all of their good things in the political, economic scientific, technological, cultural, and art fields. However, we must do this in a selective and critical way. We should not blindly imitate other peoples and should not mechanically copy all their things." "In the field of natural science, we are rather backward, so we should try to learn from things in other countries. But we should study foreign things in a critical way rather than in a blind way. I think that we need to copy most of other peoples' advanced technologies at the beginning, because we have not mastered the know-how of these technologies. But when we understand them, we will not need to copy every part of them." "We must resolutely resist and criticize all decadent systems and ideologies of the foreign bourgeoisie." Since we adopted the opening up policy, the party central leadership has repeatedly emphasized that we must simultaneously build socialist material and spiritual civilization and must resolutely resist the corrosive influence of external decadent ideologies and prevent the bourgeois lifestyle from running rampant in our country when we bring in foreign funds, advanced technologies, equipment, and management skills. We must resolutely carry out this basic guiding principle laid down by the party central leadership in our actual work.

4. We should pay close attention to the training of personnel engaged in foreign economic activities and trade and in foreign technological exchanges. Comrade Mao Zedong said: "After the political line is determined, cadres constitute a decisive factor." At present, our political line is correct, but we are short of highly qualified personnel to carry out this line. We need to build a contingent of competent foreign economic workers who have a good command of the party's policies, management and commercial knowledge, and scientific and technological knowledge, who have the courage to pioneer and advance a new cause and can work in a down-to-earth manner for the four modernizations. Comrade Deng Xiaoping said: "The crucial question that determines the success and failure of our cause is whether we will be able to discover and give play to talented people in all fields." Talented people form a key factor for the success of our cause. They represent the hope of our successfully advancing cause!

CORRECT ANALYSIS OF RURAL SITUATION ENCOURAGED

HK270723 Beijing JINGJI RIBAO in Chinese 16 Jan 86 p 2

[Commentator's article: "Correctly Analyze and Understand the Rural Situation"]

[Text] In recent years, we have achieved marked results in rural reform, and the rural situation has always been good. Starting from last year, we have begun the second stage of rural reform, changed the system of state monopoly for purchasing and assigning agricultural and sideline products procurement, expanded regulation by the market mechanism, and further readjusted industrial setups in the rural area. It is appropriate to say that we have been unexpectedly successful in the rural reform. The rural economy has initially embarked on the road of developing the commodity economy in a planned way. This is the main aspect of the rural economic situation.

We say that rural situation was good last year. The main and most fundamental indication of this was that the rural economy as a whole was enlivened. This is the goal of our rural work, the yardstick for examining rural work, and the basis for observing the rural situation. To keep abreast of and promote the production development of rural commodities, the CPC Central Committee resolutely and timely decided to reform the system of purchasing and marketing agricultural and sideline products in the rural area so that agricultural production would be integrated with social demand. This was a breakthrough and development of great significance. All this has enabled peasants to take the initiative to develop commodity production in the light of market demand, and gradually rationalize industrial systems in the rural area.

The soaring enthusiasm of peasants is an important condition for the continuous development of the entire rural economy. The internal vitality of the rural economy is the most important factor playing a long-term role in the entire economic development. The yearly changes in production are caused by various factors and do not completely reflect the essence of things. For example, compared with 1984, grain production output dropped last year. This was a problem discussed by many people. We should specifically analyze it. The reduction of grain output last year was due mainly to severe natural calamities. There is also much room for imporvement in our work. However, it could be predicted that if we failed to change the system of the purchase of agricultural products in time, and failed to reform industrial systems, a new "difficulty in selling grain" might inevitably occur, and we would be unable to purchase a large quantity of peasants' grain even though there was another bumper harvest of grain. The phenomenon of "selling grain cheaply and harming the peasants" could not be avoided. This would have seriously dampened peasants' enthusiasm. On the other hand, our failure to reform agricultural systems, in addition to the big drop in grain production because of natural calamities, and our unsuccessful attempt to promote industrial crops and a diversified economy would have considerably reduced peasant incomes. This would also have dampened the enthusiasm of the peasants. However, neither of these situations occurred. On the contrary, the total output value of agriculture and the per capita income of the peasants increased by a fairly big margin, and the momentum of economic growth in the rural area was maintained despite the drop in grain output. This was precisely due to the achievements of reform.

We say that the rural situation is good. Of course, it does not mean that there is no problem at all. At present, there are a number of problems in the rural area. Further efforts must be made to ensure that the rural economy will get on the steady development track. When we investigate causes for some current problems in the rural area, we will find that they are due to the lack of experience both at upper and lower levels in running the commodity economy in a planned way under the public ownership system.

Meanwhile, in the course of changing the closed, old system into an open, new system, people find it difficult to adapt themselves to the new situation in their thinking, habits, and work methods. Some measures of reform need improving and systematizing. In other words, problems occurring in reform should be solved in the process of continuing the reform. Today's achievements are due mainly to reform, and tomorrow's progress will also be determined by reform. We should on no account follow the beaten track if we encounter some problems.

In some areas, the peasants' enthusiasm for planting grain has been dampened. We should also make a correct analysis of this problem. We should realize that even in those areas, the peasants' enthusiasm for developing production and getting rich is still fairly high. In a small number of areas, the peasants are not so interested in planting grain. This is also a rational and normal choice and normal reaction of the peasants. Since the peasants are engaged in commodity production they carry out their production according to market information. Because the burden on grain growers is too heavy and their incomes are lower than those engaged in the production of cash crops and industrial and sideline occupations, peasants have chosen a trade beneficial to their efforts to get rich through hard work. This shows that the peasants have enhanced their understanding of the commodity economy. We should not be surprised or alarmed at these problems. We should take the initiative in actively changing the situation through economic means and providing guidance through correct and effective policy in order to further enhance the enthusiasm of grain growers and grain-producing areas for production.

At present, rural reform is developing in depth. Since urban reform is being linked with rural reform, we have more favorable conditions for accomplishing our task. However, our reform has involved more matters, and new difficulties will occur. The development of rural reform will inevitable touch upon many aspects of our traditional management system, influence various cities, rural areas, departments, and enterprises, and affect economic interests of producers, consumers and operators. Therefore, while fully affirming our achievements which have been made in the second stage of the rural reform, we should further realize the importance and urgency of persisting in and deepening the reform so that we will be clear about our direction, strengthen our confidence, persist in promoting the reform, and further consolidate and develop the present favorable rural situation.

FUTURE TASKS OF RURAL REFORM ENUMERATED

HK281402 Beijing JINGJI RIBAO in Chinese 23 Jan 86 p 1

[Commentator's article: "Rural Reform: New Situation and New Tasks"]

[Text] Following the adoption of the output contract responsibility system in the countryside, we began to reform the system for purchasing agricultural products last year and readjusted agricultural structure in a planned way. Peasants have better adapted their production to market needs, and the rural economy as a whole has become more dynamic, with rural commodity production developing further.

The national agricultural growth rate in recent years was higher than ever seen before. In the past years, grain output increased by an average of more than 34 billion jin a year. Last year, although the acreage under grain crops was reduced according to a state plan and some localities suffered from serious natural disasters, the output of grain in the whole country could still meet the market needs. Moreover, forestry, fishery, animal husbandry, rural processing industry, and service industries, which were rather weak before, have all been strengthened in recent years. The gross production of society in the rural areas and the total income of peasants have increased substantially.

However, we should also notice that the existing material and technological foundation for our agriculture remains rather weak; in some areas, peasants now have less interest in growing grain crops; some discrepancies have appeared in the course of the new replacing the old; and the interest relationships between various quarters have become more complicated as rural and urban reforms advance.

Henceforth, the sustained, steady, and well-coordinated development of the rural economy will rely on the continuous improvement of our rural policies, the coordination of all reform measures, and the adoption of necessary follow-up steps, including the improvement of production conditions, technological progress, and the reform of the circulation system. To put it in a nutshell, the general requirements for rural work in 1986 are: Continue to put policies into practice, deepen reforms, improve production conditions, and organize all necessary preproduction and postproduction services so as to ensure the sustained, steady, and well-coordinated development of the rural economy.

The new situation in the countryside and the new tasks for our rural work are very different from things a few years ago. Rural reforms have entered a new stage. We will not only remove the old but will also establish the new. What new things should be established? At present, some follow-up measures should be taken to ensure the implementation of the set policies. There are two matters we must properly handle immediately: First, we should improve the purchase contract system. These purchase contracts link the state plan with the peasants' production. Through the conclusion of contracts, the state gives guidance to the peasants' production and guarantees the supply of agricultural products. It is now particularly important to consolidate the contract system for grain purchase, and then the purchase contract system can be applied to other products. Second, we should properly organize some midway lines in the circulation of commodities. For example, we should establish some vegetable wholesale markets and develop some new commercial enterprises handling transactions between different localities or between different departments.

A long-term task of in-depth rural reforms is to improve and develop the cooperation system in light of the requirements for developing productive forces and developing the commodity economy. This is also a basic aim of the in-depth reforms. The improvement and development of the cooperation system should proceed from the development of the service industry. Economic organizations for regional cooperation should effectively provide technical and operational services and conduct necessary management on the principle of combining integrated operations and work division.

In the course of carrying out the new tasks, we will unavoidably encounter many difficulties and problems. However, the great achievements of rural reforms have inspired and encouraged the people. We have gained benefit from the reforms. Today, our achievements are in carrying out reforms; in the future, our progress will also be in carrying out reforms. As long as we continue reforms, seriously implement the party's principles and policies, and bring all positive factors into play, we will be able to overcome all difficulties on our way forward and will usher in greater developments in our rural economy.

AGRICULTURAL BANK ADJUSTS POLICY ON LOANS

OW260420 Beijing XINHUA Domestic Service in Chinese 0909 GMT 24 Jan 86

[By reporters Jiao Ran and Wang Yingchun]

[Excerpts] Beijing, 24 Jan (XINHUA) -- Entering the first year of the Seventh 5-Year Plan period, the Agricultural Bank of China has decided to make appropriate adjustments of its loan policy.

This is due to the need for uniformity in everything in controlling loans last year and to seek better overall control in financial affairs and support readjustments in the establishment of production and technical transformation in rural reas.

At today's meeting of branch managers of the Agricultural Bank of China, Ma Yongwei, president of the bank, said: Our main task in readjusting our loan policy in rural areas this year is to implement guidelines laid down by the national meeting on rural work held by the party Central Committee and the State Council at the end of last year, and gradually work out a whole set of loan policies for different places and different fields. Efforts must be made to handle each case individually. It is necessary to tighten our control over some types of loans, while relaxing our control on others. We must guard against handling each case in the same way. While exercising overall control, we must make sure that loans are available to those who badly need them.

In extending loans to town and township enterprises, an issue concerning rural cadres and peasants most for 1986, the Agricultural Bank of China will grant loans to various enterprises selectively. This guiding principle is to handle each case differently according to the locality, the trade, and the use of the loan. It will not handle each case in the same way. It will adopt more flexible measures in extending loans to less developed areas and to those fields of endeavor that the state encourages for development and in providing circulatation funds and loans for facilitating technical transformation.

In order to do a still better job in helping poverty-stricken areas introduce changes, the Agricultural Bank of China had decided to allocate 300 million yuan each year between 1986 and 1990 from its total loan funds in support of the 10 and more poverty-stricken areas designated by the state. These loans will be used mainly to help these areas develop key projects in production and improve their standards of living.

Capital Increase Reported

OW251650 Beijing XINHUA in English 1459 GMT 25 Jan 86

[Text] Beijing, January 25 (XINHUA) -- The Agricultural Bank of China has increased the availability of loans to agriculture by boosting savings deposits, speeding the turnover of funds and tapping fund-raising potential. A bank official said here today that its savings deposits by the end of 1987 amounted to 93.4 billion yuan, an increase of 19.4 billion yuan over the early period of last year. The amount of loans which the bank put into circulation last year was 31.5 billion yuan less than in 1984, the official said.

As a result of speeding turnover, the amount of loans last year was actually 35.9 billion yuan more than in 1984, thus meeting needs for loans for normal production and circulation in the country.

Last year saw the bank and credit cooperatives expand their business services to encourage savings. They made 13.75 billion yuan more available for agriculture and rural businesses. The recovery rate rose from 69.3 percent in 1984 to 91.4 percent last year.

DISAGREEMENT OVER SHENZHEN ECONOMICS AIRED

HK250754 Beijing ZHONGGUO XINWEN SHE in Chinese 0712 GMT 25 Jan 86

[Beijing ZHONGGUO XINWEN SHE in Chinese at 1215 GMT on 25 Jan transmits a service message requesting "cancellation" of the following item.]

[Text] Beijing, 25 Jan (ZHONGGUO XINWEN SHE) -- An official of the Guangdong provincial structural reform office today voices disagreement with the viewpoint that "Shenzhen special zone should build an outward-oriented economy." He says that according to this pattern, the special zone's commodities can only be sold abroad and may not be sold in the domestic market; this is a self-enclosed market pattern which does not benefit either the state or the special zone. It is clearly a mistaken policy.

His article, entitled "Have a Clearer Understanding of the Economic Zone from Shenzhen's Economy" is carried today in the weekend forum column of JIANGJI RIBAO. The article advocates: The Shenzhen special zone should built up an open-style economic pattern, that is, it should regard the markets of the interior as its prop and the Hong Kong market as its springboard and focus on directly opening up trade markets overseas. Further efforts should also be made to turn Shenzhen into China's forward position for developing international trade; it should be a frontline position both for import and export trade and also for entrepot trade.

The article proposes that the state institute rational trade policies for the Shenzhen special zone: 1) The method of tendering production costs should be instituted in export trade, and the principle of selecting the finest goods for export should be resolutely followed; 2) entrepot trade should be developed, including cross-border entrepot trade; 3) a policy of banning, restricting, or encouraging imports should be adopted according to the different circumstances; and 4) commodities produced by the Shenzhen special zone should not come under the category of commodities whose import is controlled by the state, and their sale in the domestic market should be permitted, as long as an equal tax burden is borne. The Shenzhen special zone using some imported components should be determined by the proportion of production costs in China-produced articles.

The article criticizes the practices of certain open cities in choosing "barren tracts of land" outside the cities for their "economic open zones," holding that this is a misinterpretation of Shenzhen's experiences.

THREE MAJOR ECONOMIC RESEARCH STYLES LISTED

HK270437 Beijing ZHONGGUO QINGNIAN BAO in Chinese 15 Jan 86 p 3

[Article by Ping Xinqiao, Mo Funin, and Han Shi of Beijing University: "Three Major Research Styles in Chinese Economics"]

[Text] First is the economic research style based on the combination of "Das Kapital" with socialist practice. This has the most significant influence and the richest research strength in China. With this research style, Gu Zhun has independently put forward that products made by socialist enterprises under the ownership by the whole people are commodities. Sun Yefang has made an independent and very creative study of the relationship between labor consumption and results in the law of value. Their achievements suggest that Marxist political economy is the theoretical basis for guiding China's economic structural reform.

Second is the emergence of the new situation in economic research since the introduction, by Chinese economists in 1978, of the Yugoslavian theory of self-management, in which China's social economic structural reform is analyzed by applying the reform theories of the Soviet Union and Eastern European countries. Many academics contribute their intellect to China's selection of economic structural modes by making comparisons between the virtues and defects of the economic structures of the Soviet Union and Eastern Europe. They use criticisms from Eastern European reform theorists on the traditional socialist structure to analyze the characteristics of China's economy. Their introduction of the theory of preventing macroeconomic imbalance in the reform period has had a strong impact on overall reform of urban economic structure.

Third is the great change in China's economic research circles, in which a number of socialist economic theoretical workers engage in the study of socialist economic operation by applying Western economic research methods. Under the basic conditions of the socialist economy, these theoretical workers analytically use modern economic methods worked out by Western economists to explain: consumption economics; the theory of economic growth; investment economics; the science of money and banks; international economics; the science of finance; and the science of marketing. They are now working toward the formulation of a new type of socialist economic theory. Their economic influence manifests itself both in the perfection of regulating mechanisms of the socialist economy and in criticizing the shortcomings of the original economic structure. The simultaneous existence of three research styles indicates that China's economic theories vary in form but are identical in purpose.

SURVEY SHOWS OPEN MARKET PRICES STABLE

OW271052 Beijing XINHUA in English 1035 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- Prices for major agricultural and sideline products in China's open markets have been stable since the state relaxed price controls last spring, today's ECONOMIC DAILY reported. The result of a sample survey of 170 open markets across the country during the January-November period of 1985 showed that prices for grain, edible oil, chicken, pork, beef and mutton were stable or enjoyed a moderate increase, it said. Before the price reforms, purchasing and selling of major food and agricultural sideline products were mainly controlled by the state. Now, producers have the choice of selling their goods to the state or on the open market. The lifting of price controls aims at promoting the development of nonstaple foodstuffs, adding variety to market stock, improving quality and helping to ensure regular supplies. Despite a decrease of grain output last year as a result of natural disasters, the prices for rice and wheat on open markets were not much affected, the paper said. The highest average monthly price of rice during the period was two cents per kg more than the lowest. However, the prices of fresh fish and vegetables rose considerably, while that of eggs floated with the seasons. The paper also said that since last November the prices of most of these products have stabilised, even during the new year and Chinese traditional Spring Festival period.

MEETING HELD ON STRATEGY FOR DEFENSE TECHNOLOGY

HK280939 Beijing GUANGMING RIBAO in Chinese 15 Jan 86 p 2

[Report by Xi Qixin: "Discussion Meeting on Strategy for the Development of Science and Technology for National Defense Ends"]

[Text] Recently, the discussion meeting on the strategy for developing science and technology for national defense purposes, was sponsored by the National Defense Science, Technology, and Industry Commission.

Zhang Aiping and Hong Xuezhi, both deputy secretaries general of the Central Military Commission, attended the concluding session and made speeches. The session was presided over by Ding Henggao, director of the State National Defense Science, Technology, and Industry Commission. Principal responsible comrades of the relevant ministries and commissions of the State Council, the Chinese Academy of Sciences, and the general departments and commands of services of the PLA also attended the meeting.

In their speeches, the leading comrades of the Central Military Commission said that the study of the strategy for the development of national defense science and technology is an important component of our efforts to build a modern army with Chinese characteristics. If we do not study this strategy, we will be blind in our national defense science and technology research and in developing our weapons systems, and we will not be able to adapt our Army to the needs of future wars of antiaggression. At this meeting, we have discussed the long-term, medium-term, and short-term objectives for developing our Army's weapons and equipment in light of our national conditions. This is of great significance for the building of our Army.

More than 200 experts and technical personnel from the general staff headquarters and commands of various services of the PLA and from the relevant ministries and commissions of the State Council and the Chinese Academy of Sciences attended the discussion meeting. It was the first time that our country had held such a large-scale discussion meeting on comprehensive strategies for developing national defense science and technology. Ding Henggao, director of the National Defense Science, Technology, and Industry Commission, Zhu Guangya, director of the Science and technology sectionof the National Defense Science, Technology, and Industry Commission, Xian Cueqian, deputy director of the science and technology section, and other experts gave special lectures to the meeting. The meeting has enabled people to deepen their understanding of the importance and urgency of the study of the strategy for developing national defense science and technology and to achieve a consensus of opinion on the guiding principles, research steps, research content, organization, and methods for developing national defense science and technology. People who attended the meeting held that it marked a new starting point for the formulation of our country's national defense technological development strategy and would produce a far-reaching and positive influence on our national defense modernization and the development of our national economy.

MILITARY ATTACHES FETED AT DEFENSE UNIVERSITY

LD281448 Beijing XINHUA in English 1324 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- The National Defense University of the Chinese People's Liberation Army gave a reception here today for military attaches from 35 countries in Beijing. The university, set up last December by merging the former PLA military, political and logistics academies is China's highest institution of military learning. It operates directly under the Central Military Commission. While talking with the guests, Commandant Zhang Zhen and Political Commisar Li Desheng of the university expressed the wish to strengthen contacts and academic exchanges with their foreign counterparts.

HENAN CONFERENCE ON ECONOMIC CRIME CONCLUDES

HK241416 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 21 Jan 86

[Excerpts] At the conclusion of the provincial CPC Committee's conference on cracking down on economic crimes, Liu Zhengwei, deputy secretary of the provincial CPC Committee, stressed: In investigating and handling big and serious cases, it is necessary to implement the principle of meting out severe punishment. No matter which levels of departments and cadres are involved, all economic crimes must be resolutely investigated and dealt with and no favoritism is to be practiced.

The Henan Provincial CPC Committee's conference on cracking down on economic crimes, which lasted 4 days, opened in Zhengzhou on 17 January. Attending the conference were deputy secretaries of all prefectural and city CPC committees, directors of the offices for cracking down on economic crimes, and heads of public security organs, procuratorates, and courts. Lin Yinghai, provincial CPC Committee Standing Committee member, head of the provincial CPC Committee's leadership group for cracking down on economic crimes, and secretary of the provincial Discipline Inspection Commission; and Song Zhaosu, provincial CPC Committee Standing Committee member, deputy head of the provincial CPC Committee's leadership group for cracking down on economic crime, and secretary of the provincial Political and Legal Commission, presided over the conference. At the beginning of the conference, Comrade Lin Yinghai delivered a speech: Enhance understanding, strengthen leadership, and penetratingly and persistently wage the struggle against serious economic crimes.

The conference held: Over the past year, although our province has scored some achievements in struggling against economic crimes, this struggle has developed very unevenly. Judging from the whole province, economic crimes are relatively serious and the number of cases of graft, receiving bribes, speculation, and swindling has markedly increased. The violations of law and discipline in some economic departments are relatively conspicuous. The situation in evading taxes and refusing to pay taxes by state-run and collective enterprises and by individual industrial and commercial households is fairly prevalent. In view of this, a high degree of attention must be paid to this by CPC committees at all levels throughout the province, measures must be taken to close loopholes, the new circumstances emerging in the new situation must be constantly studied, new problems emerging in the new situation solved, and the struggle against serious crimes in the economic sphere in our province waged penetratingly, persistently, and to the end.

At the conclusion of the conference, Comrade Liu Zhengwei laid stress on the problem of fighting well the general war under the leadership of the CPC committees. He said: The offices of CPC committees at all levels for cracking down on economic crimes must take the lead in cracking down on economic crimes in coordination with the political and legal organs and the industrial, commercial, tax, auditing, and commodity price departments.

Comrade Liu Zhengwei also demanded: CPC committees at all levels must regularly show concern for the work of the offices for cracking down on economic crimes and attach importance to and support the work of the political and legal departments.

Responsible persons of all departments and committees of the provincial CPC Committee and all units at the provincial level attended beginning and the conclusion of the conference and listened to the report made by Comrade Lin Yinghai and to the summing-up speech delivered by Comrade Liu Zhengwei.

HENAN RURAL WORK CONFERENCE DISCUSSES SITUATION

HK270255 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 26 Jan 86

[Excerpts] A provincial rural work conference convened by the provincial CPC Committee and government proposed that the general guiding idea for rural work in Henan in 1986 is to persevere in reform, firm up, perfect, and round off the various policies and measures for rural reforms, and promote sustained, steady, and coordinated development of the rural economy, so as to make a fine start to the Seventh 5-Year Plan.

This conference, held in Zhengzhou from 17 to 26 January, was the largest rural work conference held by the province since the meeting of cadres of four levels in 1980.

Provincial CPC Committee Secretary Yang Xizong, Deputy Secretary Liu Zhengwei, Deputy Secretary and Governor He Zhukang, and Vice Governor Hu Tingji made important speeches at the conference.

The participants seriously studied the documents of the central rural work conference. In connection with Henan realities, they enthusiastically discussed the speeches of the leading comrades of the provincial CPC Committee and government, and summed up and exchanged the achievements and experiences gained by various localities since the start of the second step in rural reforms last year.

The practice of the past year has proven that the CPC Central Committee's policy decisions on reforming the system of procuring and selling agricultural products and readjusting the rural production structure are completely correct. Last year Henan suffered rather serious natural disasters; grain production declined somewhat, and, in addition, the cotton area was reduced in a planned way. Despite that, due to the fact that the peasants readjusted the production structure to suit market needs, expanded the area of industrial crops, and further developed forestry, fruit cultivation, animal husbandry, aquatic production, and township enterprises, the total value of agricultural output and the average peasant income showed a certain degree of growth. Rural Henan has started to embark on the track of developing commodity economy in a planned way.

The conference held that, amid the excellent situation, it is also necessary to realize that the material and technical foundations of agriculture remain very weak. Some peasants have become less enthusiastic about growing grain. The reduction in agricultural input has had an impact on agricultural capital construction. A number of disharmonies have appeared in the process of replacing the old rural economic system with the new. Following the convergence of urban and rural reforms, regulating the proportional relations in all aspects becomes still more complex.

The key to ensuring that Henan's agriculture shifts to steady and sustained development lies in stability and continual improvement of policies, the continued enhancement of the peasants' enthusiasm, and the continual improvement of the conditions for agricultural production.

The conference stressed: Actively promoting diversified undertakings without any relaxation of grain production remains the fundamental guideline for agricultural production. While continuing to readjust the production structure this year, we must correctly handle the relationship between grain production and diversification and gradually perfect the grain purchase contract system. We should develop a cooperative economy centering on perfecting the household production contract responsibility system with payment linked to output, focus on enlivening rural circulation and finances, vigorously develop lateral economic ties, strengthen mutual support between urban and rural areas, and promote the joint prosperity of urban and rural economy.

The conference announced that the province's annual grain output should reach 65 million jin and total annual agricultural output value should reach 38 billion yuan by the end of the seventh 5-Year Plan. This represents a new-stage production level. The task is extremely arduous. The conference held that the attainment of this goal can only be assured by placing the province's agriculture on a new and advanced material foundation.

Secretary Yang Xizong spoke at the full session of the conference on 25 January. He stressed getting a good grasp of grain production. This year the province should reap 58 billion jin of grain and strive for 60 billion. This goal must be attained.

Prefectural and city CPC Committee secretaries made special journeys to attend this full session. After listening to Comrade Yang Xizong's speech, they presided over panel discussions on 26 January to make arrangements for work.

HUNAN LEADER STRESSES CORRECTING MALPRACTICES

HK280557 Changsha Hunan Provincial Service in Mandarin 2300 GMT 27 Jan 86

[Excerpts] Provincial CPC Committee Deputy Secretary Liu Fusheng made a speech at a meeting of secretaries of party committees of the provincial organs on 27 January, pointing out that the provincial organs must take the lead in straightening out party style, create a new situation in building party style this year, and strive for a fundamental turn for the better next year.

On the basis of affirming the work achievements of the provincial organs in 1985, Comrade Liu Fusheng raised the following main problems: There is serious bureaucratism in some units, which has caused economic losses to the state; some people lack a sense of the cause and of responsibility, and do things in a rough and superficial way: procrastination and passing of documents from department to department makes it impossible to solve certain problems; some people pursue political liberalism and air their views in an irresponsible way, irrespective of the occasion; some people like to listen to and pass on gossip, without distinguishing between right and wrong; the thinking of some people is strongly individualist, and they seek fame and profit and are most concerned about individual gain or loss; some indulge in extravagance and vie to buy or exchange imported cars; some use public funds for traveling around the country, giving dinners, and presenting gifts, thus wasting the state's wealth; some units are seriously affected by departmentalism and pass the buck to each other heedless of the overall situation; some indulge in comparing the powers and size of different units and strive for upgrading and more staff; some people stress human feelings instead of party spirit in getting things done and employing people, and appoint only acquaintances to official posts; and the members of some leadership groups are in a state of disunity. Some units are slack in organization and discipline and have not lived an organizational life for a long time.

Comrade Liu Fusheng pointed out: The key to creating a new situation in the party style in the provincial organs this year lies in governing the party strictly. At present it is essential to grasp three tasks:

1. Organize the party members to study the speeches of the leading central comrades at the central organ cadre gathering.

2. Seriously deal with outstanding problems in party style and with serious cases of crime.

3. Strictly adhere to the party's organizational life system.

GUIYANG TO BE EXPERIMENTAL UNIT IN REFORM

HK241107 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 20 Jan 86

[Text] The fifth enlarged meeting of the fifth provincial CPC Committee decided that Guiyang City should be made an experimental unit in carrying out reform of the economic structure in the whole province and priority given in guidance.

In accordance with this spirit, from 13 to 17 January Zhang Shukui, provincial CPC Committee Standing Committee member and vice governor, and responsible comrades of provincial departments concerned went to Guiyang City to hold a forum on the pilot project to reform the urban economic structure in Guiyang City. At the forum, the comrades seriously listened to the reports on the experiences gained by Guiyang City over the past 5 years in reform of the urban economic structure and on the problems arising in the course of reform. They studied the problems of comprehensive reform of the urban economic structure.

In his summing-up speech at the forum, Vice Governor Zhang Shukui pointed out: It is necessary to correctly analyze and understand the economic situation, to strengthen our confidence in reform, to seriously implement the principle of consolidation, digestion, supplementalism, and imporvement, and to carry out urban reform in depth.

He said: Comrade Hu Jintao has demanded that during the Seventh 5-Year Plan period, Guiyang City be in the van of the whole province in four aspects. This is also a target which we must attain in our pilot project. Judging from the practical situation in Guiyang City, we must lay stress on grasping five aspects of work well:

1. We must regard enlivening enterprises as the central link. What we must emphasize is that to enliven enterprises, Guiyang City must undertake the main tasks. Departments concerned at the provincial level must actively coordinate with and support it and do service work well. It is hoped that in the aspect of enlivening enterprises, Guiyang City will create experience, set an example, and push the whole province forward.

2. We must work hard in the aspects of developing economic relations among enterprises and regions and of pushing forward the reorganization and combination of enterprises. We must make practical progress.

3. We must make a breakthrough in developing the market for means of production. The market for means of production is a difficult point in urban reform, which involves all fields. We have some foundation. Provincial and city material departments must seriously study and continue to forge ahead.

4. In opening up financial resources and expanding the market, we must continue to carry out some exploration.

5. With a department as a key point, we must study a new way for the urban government's management of enterprises.

SICHUAN MEETING DEMANDS IMPROVEMENT IN PARTY STYLE

HK250229 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 24 Jan 86.

[Excerpts] On the afternoon of 22 January, the Sichuan Provincial CPC Committee convened a gathering of cadres at and above department and bureau level in the provincial organs to mobilize the study and implementation of the speeches of leading central comrades at the central organ cadre gathering. The meeting demanded that the provincial organs become examples for the whole province in straightening out party style.

Comrades Yang Rudai and Gu Jinchi spoke at the meeting. Comrade Feng Yuanwei read out the provincial CPC Committee's circular on studying the speeches of the leading central comrades at the central organ cadre gathering. Comrade Jiang Minkuan presided.

The leading comrades of the provinical CPC Committee pointed out: The state of party style in the provincial organs has a major impact and plays an exemplary role for party style and social mood throughout the province. To enhance this exemplary role is the key to straightening out party style and social mood throughout the province.

The meeting analyzed the current state of party style in the provincial organs, holding that as a result of party rectification and implementation of the circular of the General Offices of the CPC Central Committee and State Council on solving some current serious problems in organ work style, the cadres, staff and workers of the provincial organs have enhanced their understanding of the importance of straightening out party style, and marked achievements have been scored in certain respects in correcting new unhealthy trends. However, we must clearly realize that there are still many problems in party style in the provincial organs. The unhealthy trends pointed out by the leading central comrades exist in varying degrees.

First, political liberalism is rather conspicuous among certain units and comrades. This is not permitted by party regulations and discipline. It is a hangover from the Cultural Revolution, which corrodes party unity and solidarity. We must certainly not underestimate its damaging role.

Second, there is serious bureaucratism in certain units. They lack drive and a strong sense of responsibility; lording it over everybody, they are divorced from the masses. They fail to investigate and study the new situations and problems in reform, but sit in their offices passing the buck to each other. They can spend 18 months dealing with a simple problem and still not solve it.

Third, small group mentality and departmentalism, which damage the state's interests, have increased in certain units. They do not shrink from telling lies and harming the state for the sake of small group interest. Some units cause major economic losses to the state for the sake of their own private interests. Certain departments and bureaus made random payments of bonuses and goods in kind at the end of 1985.

Fourth, certain labor service companies run by various organs have not been sorted out and rectified. Some of them have actually turned into small treasuries for random payment of money and goods. There are serious problems regarding the enterprises attached to provincial organs.

Fifth, the leading cadres of a few units hanker for a comfortable life and think only about personal gains and losses. Some refuse to hand over excessive housing. Others slip back to their old ways after handing over excessive housing and use their powers to occupy still more housing. The leading cadres in a few units vie for power, fame, and profit, and organize factions.

The provincial CPC Committee stressed that in solving these problems, straightening out party style, correcting unhealthy trends, and eliminating rottenness, it is essential to apply the principle of making resolute and sustained efforts. Based on Comrade Deng Xiaoping's call to utter less empty talk and do more practical work, it is necessary to focus on grasping the following points:

1. The provincial organs must immediately take action and launch universal and serious study of the spirit of the speeches of the leading central comrades.

2. After the Spring Festival, it is necessary to carry out a major inspection and rectification of party style. We must stress action and results in this inspection.

3. Continue to grasp the work of investigating and dealing with major and important criminal cases. No matter who is involved, we must carry out resolute and thorough investigation. We must break down obstacles and grasp matters to the end if it is found that leading cadres and their sons and daughters are involved in major cases.

4. Integrate stepping up ideological education with establishing rules and regulations, and properly put party life on a sound basis.

Responsible comrades of the provincial CPC Committee also spoke at the gathering on a number of problems of understanding in this year's economic work.

The provincial CPC Committee's circular on studying the speeches of the leading central comrades at the central organ cadre gathering demanded that the party committees and groups of the provincial organs seriously study and implement these speeches and tangibly improve organ work style, so as to make still greater contributions to creating a new situation in all work in the province.

1. It is necessary to understand more clearly that the country's current political and economic situation is one of the best since the founding of the state. By correctly understanding the situation we can unify the thinking of the whole party, brace spirits, and consciously implement the party's policies and principles.

2. We must put strict enforcement of discipline in a prominent position in straightening out party style in the provincial organs.

3. Tangibly improve work and efficiency in the organs. The leading organs at all levels must work hard to eliminate bureaucratism, carry out investigation and study in depth, keep in close touch with reality, and strengthen their concept of the overall situation.

4. It is necessary to assiduously study Marxism and strengthen party spirit. In particular, leading cadres must make great efforts to study basic Marxist theory, firmly cling to the communist ideal, and always remember the program of wholeheartedly serving the people. They must continually strengthen party spirit, and also study modern science and technology, culture, and management.

The circular demands: We must certainly not go in for formalism in studying the speeches of the leading central comrades. We must implement the principle of linking theory with reality, get a tight grasp on the existing problems, and solve them one by one. At present we must focus on the following problems:

1. We must apply the spirit of the speeches of the leading central comrades to sum up 1985 work and firm up the tasks for 1986. We must seriously check on the state of implementation of the spirit of the National Conference of Party Delegates and central General Office Document No 57 of 1985. We must seriously act to improve the work style of leading organs and cadres, starting by checking on and correcting the six serious unhealthy trends and straightening out organ discipline.

After the Spring Festival, all units must carry out a major inspection and rectification of discipline and work style. Leading cadres must take the lead in improving work style, and resolutely oppose political liberalism, individualism, small group mentality, and departmentalism.

They must oppose the practice of using powers for private purposes, and carry out the relevant instructions of the CPC Central Committee and State Council in a model way. They must dare to grasp and tackle unhealthy trends.

2. The provincial CPC Committee Standing Committee is resolved to take the lead in studying and implementing the spirit of the central leaders' speeches, and to launch serious criticism and self-criticism, so as to improve the leadership style of the provincial CPC Committee. Leading organs must set an example for the whole province.

Regarding the few units and individuals where there are serious problems, the departments concerned must rapidly organize forces to clarify the situation and deal with matters seriously.

3. We must implement the principle of simultaneous study, review, and correction throughout this study.

4. We must work hard to investigate and deal with major criminal cases.

The circular says in conclusion: Written reports on the situation in study, inspection, and implementation in each unit must be submitted to the provincial CPC Committee by the end of March.

XIZANG MOBILIZATION RALLY DISCUSSES PARTY STYLE

HK250816 Lhasa Xizang Regional Service in Mandarin 1130 GMT 21 Jan 86

[Excerpts] Yesterday afternoon, with a view to making efforts for a fundamental turn for the better in party style in our region and to really implement the spirit of the enlarged meeting of the regional CPC Committee Standing Committee, the regional CPC Committee held a mobilization rally of the regional subordinate organs on straightening out party style. Attending the rally were responsible comrades of the regional party and government and the principal responsible comrades of the regional subordinate organs and of Lhasa City, totaling some 130 people. Regional CPC Committee Deputy Secretary Gyanincain Norbu presided over the rally.

Regional CPC Committee Deputy Secretary Dangzin spoke at the rally. In dealing with the problems of how to straighten out our region's party style, Comrade Dangzin laid stress on two problems:

First, analyzing the current state of our region's party style. At present, the main current in party style in our region is good, but unhealthy trends also exist. They are mainly expressed in four aspects:

1. Some leading cadres are irresponsible and lack devotion to work. Their bureaucratism is serious. The efficiency of organs is low and their work style poor. Very big economic losses are incurred.

2. Some cadres, even leading cadres, extort and accept bribes and violate the law and discipline. Corrupted by capitalist ideology, some cadres forget all moral principles at the sight of profits, defy party discipline and state law, and seek private ends by fair means or foul.

3. Some cadres take advantage of their powers to pursue private ends and do not adhere to principles.

4. Some units and cadres take part in an organization's abnormal activities, their concept of the organization is blunted, and their discipline and work is slack. They neither carry out orders nor stop doing what is prohibited.

The main reason for generating these unhealthy trends is that some leading cadres lack devotion to work and the sense of duty and in the new situation in reform, opening up, and invigorating and disregard and relax the work of resisting corruption by capitalist ideology. In employing people, they do not stress politics. At ordinary times, they do not conduct education.

Second, our region's requirements for straightening out party style and its plan for the next step. Conrade Dangrin emphatically pointed out that straightening out party style is a guarantee for implementing the spirit of the enlarged meeting of the regional CPC Committee Standing Committee. Before the lunar new year of the Tibetan nationality and the Spring Festival, all units must continuously stress grasping well the study of going further in negating the Cultural Revolution, in eliminating leftist ideological influence, and in straightening out the ideological line. On this basis, it is necessary to link straightening out party style closely with the implementation of the spirit of the enlarged meeting of the regional CPC Committee Standing Committee.

In order to realize the basic improvement of our region's party style, Comrade Dangzin put forward four demands: 1) It is necessary to strengthen political and ideological work and to conduct penetrating education in party spirit, party discipline, and party style for all party member cadres; 2) it is essential to do well in grasping typical examples and we must both commend advanced individuals and advanced collectives whose party style is correct and grasp and severely deal with big and serious cases; 3) leadership organs and leading cadres must take the lead and the regional CPC Commitee Standing Committee members and the leading cadres of the regional leadership organs must take the lead from now on and set an example; and 4) it is imperative to inspect and straighten out discipline in conjunction with correcting party style.

ZONG SHUNLIU INSPECTS XIZANG BORDER DEFENSE UNITS

HK270546 Lhasa Xizang Regional Service in Mandarin 1130 GMT 22 Jan 86

[Text] On the afternoon of 22 January, Zong Shunliu, deputy director of the PLA General Logistics Department, and his party, totaling 11 persons, who have come to inspect the work of the Xizang border defense PLA units, went to the regional CPC Committee to pay a cordial visit to the leading comrades of the regional CPC Committee and regional people's government. Responsible comrades of the regional party, government, and Army, including Dangzin, Gyanincain Norbu, Hu Songjie, Gyibug Puncogcedain, Tudao Doje, and Gao Tangjin, held cordial talks with the leading comrades who were calling on them.

On behalf of the regional CPC Committee, regional people's government, and Xizang Military District, Comrade Dangzin, deputy secretary of the regional CPC Committee, expressed heartfelt thanks to the leading comrades of the General Logistics Department for their visit and for the great contributions made by the PLA units toward the building of Xizang.

On behalf of the leaders and organs of the General Logistics Department, Zong Shunliu, deputy director of the General Logistics Department, extended greetings and thanks to the regional CPC Committee and regional people's government for showing concern toward the PLA units.

NEI MONGGOL CHAIRMAN ON CORRECTING PARTY STYLE

SK270832 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 26 Jan 86

[Text] In his report to the regional meeting of the banner and county CPC Committee secretaries, Comrade Bu He stressed that leading organs and leading cadres must set set an example in straightening out party style. He said that straightening out party style is an issue that the masses have generally paid close attention to and are endlessly discussing at present. We must notice that with the efforts of the whole party, the region has realized a great turn for the better in party style since the 3d Plenary Session of the 11th CPC Central Committee. The basic change is that the party's ideological line of seeking truth from facts and the three major work styles have been restored. Inner-party political life has been regularized with a pronounced democratic atmosphere. The people dare to speak what they want to speak. But, as the central authorities had pointed out, such corrosive tendencies really exist because of the leaders' divorcing themselves from the masses. These corrosive tendencies, although they are not serious, may bring about extremely bad results. Thus, the party organizations at all levels must pay a great deal of attention to this.

Comrade Bu He said: Leading organs and leading cadres must take the lead in straightening out party style. If they do not take the lead in correcting unhealthy practices, it will be difficult for them to express themselves in strong terms and the lower levels will not obey them. Thus, it will be difficult to solve problems. Only when leading organs and leading cadres have good leadership are they able to face difficulties. Recently, the CPC Central Committee decided that the central organs and Beijing Municipality should play an exemplary role for the whole nation in straightening out party style. This is an important policy decision of the CPC Central Committee and will have a great effect on the realization of a basic turn for the better in party style.

The regional CPC Committee urged leading organs and departments at all levels to take the lead in responding to and implementing the CPC Central Committee's call. From now on, the regional party and government organs and leading cadres at or above the banner and county level should first take the lead in implementing the policy decision of the CPC Central Committee on the basis of each level supervising the next lower level. They must not indulge in dishonest practices but have a clear-cut stand in combating other's dishonest practices. They should pay special attention to opposing and correcting serious bureaucratic practices, liberalism in the political field, and unhealthy corrosive practices of taking advantage of one's power to seek private gain.

TIANJIN CONGRESS APPROVES PERSONNEL CHANGES

SK280423 Tianjin TIANJIN RIBAO in Chinese 15 Jan 86 p 2

[Text] The following is the namelist of personnel changes approved by the municipal People's Congress Standing Committee on 14 January.

Wang Min [3769 3046] and Zhao Yan [6392 1484] were appointed vice chairmen of the Financial and Economic Commission under the municipal People's Congress Standing Committee.

Wang Min was dismissed from his post of deputy secretary general of the municipal People's Congress Standing Committee.

Yue Shugong [1471 2885 0501] was appointed director of the municipal Finance Bureau.

Li Changxing [2621 7022 5281] was dismissed from his post of director of the municipal Finance Bureau.

Zhang Dequan [1728 1795 6898] was appointed deputy procurator of the municipal People's Procuratorate and member of the Procuratorial Committee of the municipal People's Procuratorate.

Luo Xiuying [7482 4423 5391] was appointed member of the Procuratorial Committee of the branch of the municipal People's Procuratorate, and was dismissed from her post of member of the Procuratorial Committee of the municipal People's Procuratorate.

TIANJIN PROHIBITIONS FOR FOREIGN-TRADE PERSONNEL

SK271322 Tianjin City Service in Mandarin 0030 GMT 26 Jan 86

[Text] Recently the Foreign Affairs and Foreign Economic Relations Commissions under the municipal CPC Committee and the municipal Foreign Affairs Office formulated 10 measures to straighten out party style and improve the work style among the organs.

The measures first urge party committees and leading cadres at all levels on the foreign economic relations and foreign affairs fronts to earnestly study the important speeches given by the central leading comrades at the conference of cadres from central-level organs and to set examples in straightening out party style and improving the work style among the organs. In order to enhance management over foreign economic relations and foreign affairs and to plug loopholes, the municipal commissions of foreign economic relations and foreign affairs have explicitly stipulated that delegations and groups that go abroad and the departments in charge of foreign economic relations and trade and of foreign affairs should strictly enforce policy and discipline concerning foreign affairs. In particular for personnel who go abroad, we should reaffirm discipline regarding the following 10 prohibitions: 1) No one is allowed to waste public funds by going on trips to different scenic spots and taking advantage of foreign tours; 2) no one is allowed to ask for the belongings of foreigners, foreign businessmen, and our diplomatic personnel stationed in foreign countries; 3) no one is allowed to concoct various pretexts to personally share foreign exchange or to seek illegal income; 4) no one is allowed to personally make a decision on gift presentation and to illegally share gifts presented by foreign businessmen; 5) no one is allowed to personally assume responsibility for his travel per diem and to pocket the surplus; 6) no one is allowed to fraudulently speculate in foreign exchange or to deposit money in foreign banks; 7) no one is allowed to violate provisions and to make a detour for seeking other tours; 8) no one is allowed to extend his stay in foreign countries without reason; 9) no one is allowed to reveal secrets; and 10) no one is allowed to damage the prestige of oneself or the motherland.

In line with the 10 prohibitions, units on the foreign economic relations and foreign affairs fronts will conduct a general inspection on the enforcement of discipline in affairs. Matters violating discipline should be resolutely dealt with.

The 10 prohibitions also stipulate that the leading cadres of party and government organs at all levels will not be allowed to take up concurrent post in joint-venture enterprises with foreign countries or to accept any payment by adopting any ways and means from enterprises. Those who hold a concurrent post should resign from their posts immediately. The leading cadres of party organizations should also set examples in correcting malpractices, such as seeking personal gain by taking advantage of power, and resolutely combat them.

In putting forward the 10 prohibitions, the municipal commissions in charge of foreign economic relations and foreign affairs also pointed out that the principal responsible comrades of party committees at all levels should personally take charge of straightening out party style and establish responsibility systems in this regard.

It has been learned that the leading cadres at all levels on these fronts will go deep into grassroots-level units before the Spring Festival to show concern for the people's livelihood and to realistically help them deal with some practical problems that need to be solved urgently in order to make a good start in creating a fundamental turn for the better in party style and work style.

NI ZHIFU ATTENDS TIANJIN INDUSTRIAL FORUM

SK240537 Tianjin City Service in Mandarin 0030 GMT 24 Jan 86

[Excerpts] The municipal meeting to sum up investigations and studies of the three basic links in industry ended on 23 January. Ni Zhifu, secretary of the municipal CPC Committee, attended the forum held on 23 January with the participation of the party and government responsible comrades of various industrial bureaus. He called on various industrial bureaus to rapidly go into action, and strengthen their work.

At the forum, the participants cited their personal experiences in discussing the importance of the three basic links in industry. Responsible comrades of the units in charge of finished products of the first and the second industrial enterprises and of the textile industrial enterprises enumerated many facts and stated that the weak basic links resulted in the weak competitiveness of their products. In looking forward to the future, they said that if they refuse to accelerate the building of the basic links, it will be very difficult to keep pace with the development of the current situation.

Zhang Shiyong, director of the municipal First Light Industry Bureau, said: Our bureau's products need to be upgraded and updated, and we are confronted with a sense of crisis. If we refuse to speed up the building of the basic links, continue to pay no attention to our equipment and physical strength, and only see the immediate interests to the neglect of the long-term interests, just as we did in the past, we will certainly lag behind. In drawing up the Seventh 5-Year Plan for our bureau, we should bring the building of the basic links in line with the plan.

Today's issue of TIANJIN RIBAO carried on the first and the second pages the full text of the speech by Ni Zhifu, secretary of the municipal CPC Committee, at the municipal meeting to sum up investigations and studies of the three basic links in industry. The speech is entitled "Strengthen the Building of the Basic Links, and Revitalize Tianjin's Industry."

PETROLEUM MINISTRY HOLDS CELEBRATION AT DAQING

SK270842 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 26 Jan 86

[Recorded report filed by station reporters on 26 January from the Daqing oil field]

[Experts] By adhering to a high degree of the revolutionary spirit and vigorously promoting scientific and technological progress, the Daqing oil field has stabilized its annual crude oil output at 50 million tons since 1976, has fulfilled the goals of producing 50 million tons of crude oil annually, and has yielded stable output for 10 years. This has enabled the Daqing oil field to reach advanced world standards in terms of overall development, and to become a dazzling jewel in the modernization drive of our country. This afternoon, the Ministry of Petroleum Industry held a ceremonious celebration meeting in Daqing to congratulate the Daqing oil field on achieving its goal of producing 50 million tons of crude oil annually over the past 10 years.

Attending the meeting were Wang Tao, minister of petroleum industry; Zhao Zongnai, (Zhou Yongkang), and Li Tianxiang, vice ministers of petroleum industry; and Zhang Wenbin and Jiao Liren, advisers to the Ministry of Petroleum Industry. Sun Weiben, secretary of the provincial CPC Committee; Hou Jie, governor of the province; and Chen Lei, chairman of the provincial Advisory Commission, also made a special trip to the Daqing oil field to participate in the celebration. Wang Tao, Sun Weiben and Chen Lei spoke at the meeting. Chen Liemin, secretary of the Daqing City CPC Committee and secretary of the CPC Committee of the Daqing Petroleum Administration Bureau, also spoke at the meeting.

In his speech Comrade Sun Weiben said: Fellow comrades! We are very excited about participating in the celebration held by the Ministry of Petroleum Industry for the Daqing oil field. The fact that Daqing oil field has had stable yields for 10 years running is actually a big victory which deserves celebration. On behalf of the provincial CPC Committee and the provincial people's government, I hereby express my heartfelt congratulations to you on your victory, and extend my cordial greetings and respects to all workers and staff members of the Daqing oil field as well as their family members.

Petroleum is an important material for the socialist modernization drive. The 12th party congress regarded the production of energy resources, including petroleum, as one of the strategic emphases for fulfilling the general goal of economic development by the end of this century. The CPC Central Committee and the State Council are very concerned about the petroleum workers, and have issued many important instructions calling on the Daqing oil field to strengthen survey work, extend the stable-yield period, discover another Daqing oil field, and continue making great contributions to the state for a long time. This time the CPC Central Committee and the State Council have set still higher demands on the Daqing oil field and on its workers and staff members. The provincial CPC Committee and the provincial people's government believe that the workers and staff members of the Daqing oil field will certainly live up to the trust and expectations of the CPC Central Committee, discover another Daqing oil field, continue to maintain the annual crude oil output at 55 million tons until the end of this century, and make still greater contributions to the socialist modernization drive.'

SUN WEIBEN AT HEILONGJIANG CPC MEETING

SK241116 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 22 Jan 86

[Text] On 22 January, the Heilongjiang Provincial CPC Committee held its Standing Committee meeting to earnestly study the speeches given by the central leading comrades, including Hu Yaobang, at the conference of cadres from the central-level organs with regard to straightening out party style.

After studying the speeches at the meeting, the participants unanimously held that the provincial-level organs will certainly be able to make unremitting efforts to achieve a fundamental turn for the better in party style by the end of 1986.

The meeting heard a report on the province's implementation of Document No 57 issued by the General Office of the CPC Central Committee. The meeting held that localities and departments throughout the province had attached great importance to the issue after the issuance of Document No 57, and particularly after the establishment of the leading groups in the provincial CPC Committee and the provincial people's government in charge of implementing the document. They have established organizations, enhanced their leadership, and earnestly organized their study in order to upgrade their ideological understanding. Their leading comrades have taken the lead in carrying out inspection and examination and worked out measures to correct their mistakes while conducting inspection and examination. Although the examination activities are only preliminary, the problems discovered in the activities have proved that party and government organs throughout the province still have, in varying degrees, the various manifestations of malpractices pointed out by the central leading comrades in their speeches.

In discussions at the meeting, participating comrades unanimously held that in straightening out party style throughout the province, the provincial-level organs should set examples in the work in which their leading personnel should take the lead in work. In setting examples for the units throughout the province, the provincial-level organs should currently do a good job in grasping the following tasks:

1. The Standing Committee members of the provincial CPC Committee should set themselves as examples in straightening out party style and boldly take charge of this work. The leading bodies at all levels among the provincial-level organs should earnestly study the speeches by the central leading comrades in order to upgrade their understanding. Their top leaders should personally take charge of the work of straightening out party style.

2. In order to push forward the work of straightening out party style, the provincial-level organs should convene their conferences of cadres before the Spring Festival to mobilize them to deeply study these speeches and to make further concrete arrangements for the work of straightening out party style.

3. Efforts should be made to vigorously deal with a number of major and serious cases. Those who have stuck to their old way in spite of the directive and hindered the path of checking and dealing with the malpractices or have shielded wrongdoers in checking activities should be openly dealt with by presenting their typical mistakes. Meanwhile, efforts should be made to openly commend the advanced that have emerged in straightening out party style.

4. Attention should be paid to the protracted and steadfast nature of the work of straightening out party style. Efforts should be made to uphold the principle of grasping the work every day and investigating or dealing with cases carefully and to continuously establish or improve the responsibility systems for the work. The top leaders of the units should truly assume responsibility in this regard.

The party standing committees on the relevant fronts and the leading group in charge of straightening out party style should make concerted efforts to assume responsibility for successfully holding study classes for the top leaders of various units in order to enable the fronts concerned to take steps in straightening out party style. The provincial CPC Standing Committee should frequently discuss the progress made in straightening out party style and strengthen its leadership over the work.

At the meeting, a leading group in charge of straightening out party style was established. Yesterday's meeting was presided over by Comrade Sun Weiben. Also attending the meeting were Comrades Li Gensheng, Chen Yunlin, Liu Chengguo, Zhou Wenhua, Bai Jingfu, Li He, and Huang Feng.

Attending the meeting as observers were leading comrades of the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress, the provincial people's government, and the provincial CPPCC Committee, including Chen Lei, Wang Luming, Zhang Xiangling, Wang Fei, Li Jianbai, Chen Yuanzhi, He Shoulun, and Wang Zhao.

HEILONGJIANG SECRETARY VISITS UNIVERSITY

SK240435 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 23 Jan 86

[Text] On the afternoon of 23 January, Sun Weiben, secretary of the provincial CPC Committee, went to Harbin Engineering University to hear work reports and visit the laboratories.

After arriving in Harbin Engineering University, Sun Weiben said to the leading comrades of the university present on the scene: Your university is the first university I came into contact with when I first arrived in Heilongjiang Province. This time, I am here to recognize the school and the people here and to learn about the situation so that I will be qualified to speak on the future work of the university.

He conscientiously heard the work reports given by Jiang Yihong, secretary of the CPC Committee of Harbin Engineering University, and (Yang Shiting), president of the university. While touching on the issue that some departments and localities have requested Harbin Engineering University to help establish schools, Sun Weiben said: Such a way of doing things is good because it needs less investment but yields greater results as compared with the way schools were established in the past and it can also ensure the quality of training competent personnel. Those departments and localities which need personnel may invest in the existing schools and may run schools with joint efforts.

While touching on the education of students, Sun Weiben said: The schools should not merely disseminate knowledge. They should persist in imparting knowledge and educating the people.

While touching on the implementation of the policy on intellectuals, he said: In implementing the policy on intellectuals, we have to solve many problems such as wages and housing. But the most important thing is to create a good mental state and to enable each and every person to see the development and good prospects of his career and to devote himself to realizing his ideals.

Sun Weiben, secretary of the provincial CPC Committee, also visited the laser laboratory of the university and had a cordial talk with Professor (Ma Puguang), a special-grade model worker and an outstanding Communist Party member of the province, and acquainted himself with his research achievements. He also wrote these words in the laboratory's visitors' book: We are absolutely capable of scaling the heights of the world. We wish that the laser laboratory will make greater contributions to developing the motherland's scientific undertaking within a short time.

NINGXIA SECRETARY ON MAJOR TASKS FOR 1986

HK210011 Yinchuan NINGXIA RIBAO in Chinese 4 Jan 86 p 1

[Report: "Li Xuezhi Gives a Talk to a Staff Reporter on Six Major Issues To Be Grasped Well by the Regional CPC Committee This Year"]

[Text] At the request of our reporter, Li Xuezhi, secretary of the regional CPC Committee, recently gave a talk on the regional CPC Committee's major tasks this year.

Comrade Li Xuezhi said that the general tasks for 1986 are: to continue the propagation and implementation of the spirit of the National Conference of Party Delegates in a profound manner; to carry out more resolutely the line, principles, and policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee; to consolidate, assimilate, enrich, and perfect various reform measures; to persist in the "two civilizations"; to ensure the sustained, steady, and coordinated development of the national economy; and to further consolidate and develop the political situation of stability and unity, in order to lay a solid foundation for the smooth completion of the Seventh 5-Year Plan. The regional CPC Committee will concentrate its efforts on the following six major issues:

1. It will strengthen macroeconomic control, straighten out various economic relationships, and enliven the urban economy. On the basis of enlivening enterprises, and in particular large and medium-sized enterprises, it will further streamline administration, delegate power to the lower levels, ascertain the scale of power expansion, and do a good job in a whole range of reforms. It will energetically develop crosswise economic relationships, pay close attention to weak links and prominent contradictions in economic life, and solve the shortage of funds. It will strengthen technical transformation, make technological progress, fully tap the potential of enterprises in production, and make efforts to improve the quality of products, reduce material consumption, and attain better economic results. It will not demand uniformity in fixing the growth rate of industrial production, and the growth rate of industrial production in the entire region will be fixed at about 10 percent, allowing enterprises with better conditions and economic results to develop a little faster.

2. The regional CPC Committee will conscientiously implement the strategic principle of agriculture being the foundation of the national economy, further carry out rural policies, profoundly carry out the second step of rural reform, and continue to readjust the production structure in order to promote the overall development of the rural economy. As grain production is a major matter having an important bearing on the national economy and the people's livelihood, we must not take it lightly but must make a good job of it. The regional CPC Committee will rely on policies and science in increasing investment, improving the conditions for agricultural production, and promoting grain production, so that the region's grain output can be steadily fixed at 3 billion jin. It will perfect the grain contract purchase system and complete the assignment of purchase tasks to every household before spring plowing. It will energetically develop a diversified economy, which includes industrial crops, forestry, animal husbandry, fishery, industry, commerce, transportation, and service trades. In particular, there should be breakthroughs in animal husbandry in the mountainous areas and in fishery in the areas along rivers. In speeding up the development of township enterprises, it will persist in the principle of giving "active support, rational planning, correct guidance, and good management." It will organize service work before and after production, broaden the channels for commodity circulation, and help the peasants open up all avenues for becoming better off through labor. It will strengthen its "help-the-poor" work and construction in "backward villages" so as to change the backward features of poor areas as soon as possible.

3. The regional CPC Committee will carry out scientific, technological, and educational system reforms well. Last year, we put forward suggestions on how to carry out scientific, technological, and educational system reforms. This year, we will attach great importance to carrying out these reforms. Reforming the fund allocation system and opening the technology market are two key links in scientific and technological system reform, and efforts should be made for further progress. It is necessary to form the fine habit of "respecting knowledge and talented people" and to mobilize the entire society to pay attention to and support the development of the educational cause.

4. The regional CPC Committee will further carry out the policy of opening up to the world. On the basis of conscientiously summing up experience it will work out more effective measures for opening up to the world, strengthen the introduction of advanced foreign technology and cooperation with other provinces, expand economic and technological cooperation with foreign countries, and consolidate and develop friendly relations between the region and Islamic countries. It will formulate special policies for the production, purchase, prices, and taxation of export commodities, in order to protect the initiative of producers and increase foreign exchange earnings.

5. In accordance with the CPC Central Committee's proposals on drawing up the Seventh 5-Year Plan, the regional CPC Committee will encourage the masses to take part in formulating a Seventh 5-Year Plan which is suited to the region's specific conditions. It will hold firm to the policy of economic stability, exercise strict control over the expansion of supply and demand, and continue to control the scale of investment in fixed assets. The region will concentrate its limited financial and material resources on the construction of key projects. It will make unremitting efforts to carry out family planning work well and strictly control population growth.

6. The regional CPC Committee will strengthen ideological and political work and bring about a turn for the better in party style and the general mood of society. It will study and sum up laws and methods for ideological and political work in the new period. It will continue to carry out party rectification well, strengthen cadres' theoretical study, and improve the political quality of party members and cadres. It will rectify the work style of regional party and government organs. Party and government organs at various levels should also rectify unhealthy tendencies for the sake of serving the people heart and soul. Emphatic commendation will be given to advanced collectives and exemplary individuals in the "two civilizations" drive. It will carry on the struggle of cracking down on serious crimes and serious economic criminal activities, check and handle major cases, and strengthen public security work.

Comrade Li Xuezhi said that much arduous work awaits to be done in 1986. We hope that party organizations and people's governments at various levels, democratic parties, people's organizations, party members, cadres, and the people of various nationalities will unite as one, carry forward the spirit of the old man who removed the mountain, work hard, and make new contributions to realizing the great target of enabling "Ningxia to take off."

SHAANXI CONFERENCE OF PARTY DELEGATES CONCLUDES

HK220222 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 21 Jan 86

[Excerpts] The 5-day Shaanxi provincial conference of party delegates victoriously concluded on 21 January after completing its agenda. Bai Jinian, Li Qingwei, Zhou Yaguang, Zhang Ze, Yan Kelun, Lu Jianren, Chang Lifu, Mou Lingsheng, Liang Qi, Hu Qingyun, Tao Zhong, and (Li Senhui) attended the closing ceremony, which was presided over by Comrade Li Qingwei. On the basis of full discussion and debate, the conference democratically elected additional members of the provincial CPC Committee and the provincial Advisory and Discipline Inspection Commissions.

The conference also discussed and approved the draft outline for the province's Seventh 5-Year Plan of national economic and social development, and a decision on a number of questions in strengthening ideological and political work. The draft outline for the Seventh 5-Year Plan will be submitted to the provincial People's Congress for examination and approval.

At the concluding ceremony, Comrade Zhou Yaguang delivered a speech entitled "The Whole Party Must Work To Ensure Implementation Down to the Grass Roots." He said: This was a very successful conference which has adopted very good documents. But the work after the conference is even more important. The key lies in implementing its intentions. The question of implementation is an old one, not one that is just raised today. However, not enough importance has been given it in recent years. Many good documents and ideas have failed to produce the proper results because we have not done a good job in implementation. A lot of work goes no further than being discussed at conferences, written about in documents, and spoken of; it is not implemented down to the grass roots. This is a big defect in our work style. It is imperative to cure this in order to do a good job in our work.

In recent years our cadres have spent little time going down and have kept a distance from the grass roots. In some leading organs there are many people with nothing to do, and their work style is seriously bureaucratic. Such a work style is the main cause of generalized work methods and failure to implement tasks.

In having the whole party work to ensure implementation down to the grass roots, the cadres must first go down. In the future, the province and the prefectures, cities, counties, and districts must form a system for transferring cadres to work in the grass roots. The number of cadres remaining in the organs to handle routine work must be reduced to the minimum, so that more cadres can go down to the grass roots.

Zhou Yaguang said: We must advocate doing practical work and gaining practical results. In the past, it appeared that many of our tasks were conveyed downward from level to level, but what was actually happening was that production targets and documents were circulated around each level, and many localities acutally turned into mere transmission stations and post offices.

Following the conclusion of this conference, all areas and departments and units must, on the basis of conveying the spirit of the conference, first get a good grasp of two things: 1) Seriously organize education in the situation and in policies, so that the cadres and masses will clearly understand the current excellent situation and have a clear picture of the goals and principles and policies for the seventh 5-Year Plan. 2) Get a good grasp of rectifying the work style of the leadership organs at the provincial, prefectural, city, county, and district levels. In accordance with the intentions of the central and provincial CPC committees on solving a number of current serious problems in organ work style, we must seriously investigate and deal with major cases and resolutely correct unhealthy trades.

On the morning of 21 January, the conference democratically elected 17 additional members and 4 alternate members of the provincial CPC Committee, 17 members of the provincial Advisory Commission, including Li Xipu, and 11 members of the provincial Discipline Inspection Commisstion. As a result of the election, 15 persons will no longer serve as members or alternate members of the provincial CPC Committee, 3 will no longer serve as members of the provincial Advisory Commission, and 9 will no longer serve as members of the provincial Discipline Inspection Commission.

SHAANXI LEADER ON INDUSTRIAL PROBLEMS, TASKS

HK250347 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 24 Jan 86

[Excerpts] Vice Governor Zeng Shenda made a speech at a mobilization meeting on industry and communications convened on 24 January by the provincial government. He demanded that leaders at all levels get rid of blind optimism and slackness and do everything possible to boost production in the first quarter of this year.

Zeng Shenda said: The province achieved sustained, steady, and coordinated development in industry and communications in 1985. However, we must keep cool heads amid the excellent situation. In particular, we must realize our shortcomings. Abnormalities have emerged in the province's industrial production since the fourth quarter of last year. The problem of an excessive drop in production occurred in the light and textile industries just as the busy season in the markets started. The rate of decline in the petrochemical and pharmaceutical industries in the fourth quarter was also rather high. This state of affairs has already had a negative impact on industry and communications in the first quarter of this year.

Comrade Zeng Shenda pointed out that the main reason for the emergence of these problems is that certain leading comrades have become blindly optimistic, complacent, and slack amid the excellent situation, holding that as work was done quite well last year, they should pause to catch their breath this year. Some leaders cannot distinguish between excessive and normal speeds. When arranging plans, they set excessively high demands on the spot but deliberately hold something back when reporting these plans to higher authorities. Some other leaders see many difficulties but few favorable conditions for this year's production.

Comrade Zeng Shenda therefore stressed that it is essential to take immediate forceful measures to transform this abnormal situation as quickly as possible. To ensure a normal growth rate in production in the first quarter, and make a good start to the Seventh 5-Year Plan, Comrade Zeng Shenda put forward the following demands on behalf of the provincial government:

1. Leaders at all levels must seriously eliminate blind optimism, fear of difficulties, slackness, and so on, brace their spirits, and strive for a 10 percent increase in industry and communications production in the first quarter.

2. All prefectures, cities, departments, and enterprises must make proper arrangements for production around Spring Festival.

3. We must get an early grasp of key technological transformation projects, so that they can start work and produce results early.

4. Pay attention to ideological and political work during the wage reform.

TAIWAN'S DIPLOMATIC ISOLATION INCREASING

OW290327 Beijing in Mandarin to Taiwan 1500 GMT 24 Jan 86

[Station commentator's commentary: "Share Honors of the Chinese Nation"]

[Text] The year just ended witnessed new and momentous developments in China's socialist modernization drive, and rich achievement in China's independent and peaceful foreign policy. During that year, our leaders paid friendly visits to over 40 countries in different regions of the world and also welcomed visiting leaders from over 40 countries. China has signed economic, scientific, technical, and cultural cooperation agreements with many countries, and our friendly relations of cooperation with many other countries have been further developed. Last year, Bolivia, Grenada, and Nicaragua established diplomatic relations with China. Currently, a total of 134 countries have established diplomatic relations. We are making more and more friends. Our international status and prestige have been further enhanced. It is a well-known fact that, as an important force in maintaining peace and promoting development in the world today, China is held in high esteem by the international community.

By contrast, the Taiwan authorities are more and more isolated in the international community. In analyzing Taiwan's diplomatic dilemma, Taiwan's HSIBAO ZAZHI [SHIH PAO CHA CHIH] says, with great anxiety: An obvious tendency indicates that the Republic of China is diminishing as an entity, a member of the international community. It is being reduced to a geographical name, similar to Hong Kong. Taiwan's ZHONGGUO SHIBAO [CHUNG KUO SHIH PAO] has said, pointedly: We engage in, and talk very loudly about, substantive diplomacy, because we have no alternative and have to be content with second best. Formal diplomatic relations are, after all, commendable. It is not permissible to suffer any loss by neglect. Another Taiwan magazine article deplores Taiwan's position in the international community, becoming worse each year.

Only 23 countries now maintain diplomatic relations with Taiwan. Of these, 13 are in Latin America. So Latin America is a focal point for Taiwan's diplomatic work. Taiwan's newspapers and magazines have complained that the Taiwan authorities' Ministry of Foreign Affairs is so incompetent that it has become a ministry of severance of diplomatic relations. To be fair, this is a matter of physical impossibility, rather than of the ministry's competence. The Taiwan authorities have spared no effort to work on Latin American countries, providing them with low-interest or interest-free loans, or aiding them with agricultural or medical teams. In the past year, the Taiwan authorities sent vice president, defense minister, and vice foreign minister to visit Latin America. Yet, what of the outcome? Well, everybody knows it.

The Government of the People's Republic of China is the sole legitimate government of China. Taiwan is an inalienable part of Chinese territory. This is recognized by the international community. China's diplomatic work will no doubt further develop and make greater achievements each year, establishing diplomatic relations with still more countries and exerting still greater international influence. At the same time, the limited number of countries with diplomatic relations with the Taiwan authorities will irreversibly decrease, one by one. The Taiwan authorities will become still more isolated, and find themselves in a still more sever predicament.

In is the common desire of all Chinese, at home and abroad, that their motherland be peacefully reunified. The method of one country, two systems has solved the Hong Kong problem. It is totally applicable to Taiwan. This concept has been endorsed by an increasing number of far-sighted people, including Taiwan compatriots.

People want the Taiwan authorities to change their frigid, three negatives policy, enter into contact and negotiate with the Chinese Communist Party, so that the motherland can be reunified at an early date, and the Taiwan authorities can join hands in building the motherland and sharing the honor of the Chinese nation as a member of the international community.

REPORT ON HIGHER CRIME RATES IN TAIWAN CITED

HK280737 Beijing ZHONGGUO XINWEN SHE in Chinese 1318 GMT 24 Jan 86

["Crimes of Violence Seriously Threaten Taiwan's Social Order" -- ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 24 Jan (ZHONGGUO XINWEN SHE) -- According to a report from Taiwan, Lo Chang, commissioner of the Taiwan police department, recently pointed out: Crimes of violence and theft in the Taiwan region will continue to rise in the future and the form of criminal offences will develop into organized and well-planned crimes. If they are not effectively curbed, public order will deteriorate. In a report to the "members of the National Assembly" visiting the criminal police bureau on 21 January, Lo Chang said: From 1975 to 1984, crimes of violence in Taiwan rose by 54.57 percent, and thefts by 27.23 percent. The form of criminal offences also developed from those committed by unarmed individuals to crimes carried out by groups of people using firearms, and from casual to premeditated crimes.

In 1985 the public order units in Taiwan set up "special groups for the thorough examination of cases" and cracked down on undesirable triad members, but major criminal cases still frequently occurred. At the end of last year, a number of serious cases, involving the killing of policemen, seizure of firearms, and armed robbery of vehicles delivering money to banks, occurred repeatedly. According to statistics, in 1985 the Taiwan police authorities handled 4,250 major criminal cases, accounting for 6.27 percent of the total number of criminal cases. Of these, 2,713 cases were cracked, accounting for 65.01 percent of the cases handled. Compared with 1984, the number of premeditated murders, knidnappings, and serious thefts fell, while that of robberies, hold-ups, and rapes rose.

ZHONGGUO XINWEN SHE ON UNEMPLOYMENT IN TAIWAN

HK280313 Beijing ZHONGGUO XINWEN SHE in Chinese 1343 GMT 24 Jan 86

[Report: "More Job Applicants in Taiwan Last Year Than Jobs Available" -- ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 24 Jan (ZHONGGUO XINWEN SHE) -- Taiwan newspapers today reported that the number of applicants for jobs had beaten the record in Taiwan last year, while the number of vacancies had dropped drastically. Such a situation had seldom been seen in the past decade.

Statistics provided by the Career Training Bureau under the Taiwan "Ministry of the Interior" reveal that the number of applicants for jobs was recorded at 279,000 or more during the period from January to December last year, an increase of 15.62 percent over the previous year. During the same period, the registered number of vacancies provided by local manufacturing firms amounted to only 70 percent of that in the previous year, the lowest figure for the past decade. The Career Training Bureau also pointed out: The principal contributing factor in this situation was the economic depression. The decline in the demand of the sectors concerned for manpower led to a very serious case of supply far exceeding demand. According to another report, the unemployment rate was estimated at 2.9 percent in Taiwan last year, the highest figure for the past 20 years.

PREPARATORY WORK UNDER WAY ON SANXIA PROVINCE

HK280919 Hong Kong TA KUNG PAO in Chinese 28 Jan 86 p 1

["Special Feature" by Tung Chou: "Interview With the Responsible Person of the Preparatory Group for Sanxia Province"]

[Text] Beijing, 27 Jan (TA KUNG PAO) -- I was told earlier that China was preparing to set up its 30th province -- Sanxia Province. This time in Beijing, I got a chance to verify this hearsay.

I happened to be staying in the same hotel in Beijing as some representatives who were attending a certain national conference. Once when I glanced over the namelist of the representatives, I suddenly discovered that after the 29 provinces, municipalities, and autonomous regions, there was also a list of representatives from the preparatory group for Sanxia Province. Upon inquiry, I learned that beginning this year, the name of this province has begun to be used independently in the state plans.

Several days later I met Xin Wen [6580 2429], deputy head of the preparatory group for Sanxia Province, and he gladly answered some questions I raised. Xin Wen said: The Sanxia project will start very soon, Hence the establishment of Sanxia Province. The most difficult problem for the Sanxia project is the placement of new residents. Whether implementing the high-dam plan or the low-dam plan, it will be necessary to move several hundred thousand people. These migrants are distributed in Sichuan and Hubei Provinces. In order to make a good placement of the migrants, we will need to set up an organization to tackle the matter under unified planning. At first, the state considered forming a Sanxia special zone or a Sanxia administrative region, but finally it decided to set up Sanxia Province.

As everyone knows, the problem of migration is one of the most troublesome problems for any government in building reservoirs. To solve this problem by setting up a new province shows the resolution of the CPC in building the Sanxia project. After the project is completed, not only will the problem of the flood threat to the middle and lower reaches of the Chang Jiang be fundamentally solved, but also, some 110 billion kWh of electricity can be produced every year.

The future vice governor told me that nearly 10,000 scientific workers have carried out investigations and studies for this project over the past 30-plus years. After building the Danjiangkou reservoir at the Han Jiang, a tributary of the Chang Jiang, and building the Gezhouba reservoir on the mainstream of the Chang Jiang, the Chinese construction team is already capable of completing this magnificent project, including building dams and installing generators. Of course, there are also different opinions on the Sanxia project. That is why this plan is still under discussion. Nevertheless, the preparatory work for setting up Sanxia Province brooks no delay.

Yichang City Will Be the Provincial Capital

Xin Wen said: "Sanxia Province will be situated at the upper and middle reaches of the Chang Jiang and between Daba Shan and Wuling Shan. With an area of 84,000 square kilometers, it will be the smallest province in the interior of China, but is population will be about 18 million and it will have 30 counties. Yichang will be the provincial capital." I was in Yichang once. Since the Gazhouba was built there, it is also called the "city of hydroelectricity." Sandouping, the place selected for building the Sanxia dam is not far from here.

Xin Wan also told me that the preparatory work for Sanxia Province is being carried out smoothly. A plan has been worked out for setting up provincial organs and appointing their work personnel.

The work of organizing provincial departments and bureaus has already begun, and efforts have been made to work out the strategy for provincial economic development. The superiority of this province is its rich natural resources. Apart from waterpower resources, there are also iron, phosphorus, coal, natural gas, and so forth. The tourist resources in this province are also exceptional advantages endowed by nature. The wonderful sight of Sanxia is world famous. During the period of the Seventh 5-Year Plan, a number of key projects, including a cement factory, an iron alloy factory, and a synthetic ammonia factory, will be completed in this province. A large airport near Yichang is also planned.

Referring to the placement of the migrants, Xin Wen said that, in the past, a method of compensation was adopted for migrants, but it often happened that some 20 or 30 years after construction was completed, compensation had still not been finished and became a bottomless pit to fill. This time we plan to make the migration serve the exploitation; that is, to use the state compensation fees as investment and organize the migrants to exploit the natural resources and establish new projects and tertiary industry, so as to blaze a new trail for better economic results.

SHENZHEN TO CUT SPENDING BY 21 PERCENT IN 1986

HK280419 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English 28 Jan 86 p 1

[By Paul Sham]

[Excerpts] Investment on infrastructure development in the Shenzhen Special Economic Zone will be cut by about 21 percent this year, to 1.9 billion yuan (HK$4.65 billion) from 2.4 billion yuan last year, a source close to the Shenzhen Government said yesterday. The plan to cut spending which was finalised recently after eight months of study, is in response to Beijing's instructions to cool the overheated economy. The source told BUSINESS NEWS in order to maintain Shenzhen's development on the right track, infrastructure investment will concentrate on the industrial sector. The study, done by the Shenzhen Government, indicated excessive investment had gone into the construction of hotels, commercial complexes and residential buildings over the past few years at the expense of the industrial sector. The call to reduce the scale of infrastructure development was made by Beijing in April, the source said.

He said last year's construction boom in Shenzhen had revealed that foreign and domestic investors from other provinces had miscalculated the market situation, and the Shenzhen Government's management of the zone lacked direction. In light of the oversupply of hotel rooms and residential units in the city, the source said the Shenzhen Government is not likely to approve new construction projects in the near future. He said the restrictions will be eased only when the market situation has improved. He said construction projects for which agreements have been signed but work has not started will be cancelled, while work will slow down on current projects. The focus this year will be on building such facilities as factories, roads, telecommunications, railway and port development. The source said the Shenzhen Government is still drawing up the priority list of industries and it is not known which industries will be singled out for faster development.

Meanwhile, Shenzhen's first construction magazine, ARCHITECTURE REVIEW, was published recently. The magazine will be published on an irregular basis by the Shenzhen University for domestic and overseas circulation. Speaking at a banquet yesterday to mark the publication, the magazine's chief editor, Zhang Liangjun, told reporters it will serve as a bridge between construction and architecture circles in China and overseas.

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GUANGMING RIBAO ON U.S. SANCTIONS AGAINST LIBYA

HK280926 Beijing GUANGMING RIBAO in Chinese 14 Jan 86 p 4

[Newsletter from Fu Fuyuan, Cairo-based GUANGMING RIBAO reporter: "The Sky Over Libya Is Overcast"]

[Text] On 3 January, the U.S. aircraft carrier USS Coral Sea, with 4 squadrons of F-18 strike fighters aboard, left Italy for North Africa. Tension in the area increased immediately when the U.S. Defense Department asserted that the United States could rely on its forces in the Mediterranean to launch a strike against Libya.

This conflict can be traced back to 27 December 1985. On that day, a handful of terrorists raided the Israeli El Al Airline offices at the Rome and Vienna international airports, killing and wounding more than 100, most of whom were passengers. The terrorist attacks were condemned by world opinion. However, Israel seized the opportunity to accuse the Palestine Liberation Organization, saying it would take retaliatory measures. The United States also claimed that the airport attacks were launched by a terrorist organization split from Fatah and led by Abu Nidal, stressing that his organization received vigorous support from the Libyan Government. Thus, the United States hinted at retaliatory options to punish Libya.

On the evening of 7 January, President Reagan announced comprehensive economic sanctions against Libya and termination of U.S. economic activities there. Furthermore, he urged U.S. companies not to exploit, transport, or import oil from Libya and ordered all Americans in Libya to leave the country immediately. On the evening of 8 January, Reagan made another announcement on freezing all Libyan savings and assets in the United States, totaling several hundred million U.S. dollars. The United States also threatened that it would not rule out further sanctions against Libya, including military options.

The move by the U.S. Government to threaten a Third World sovereign state evoked worldwide opposition. Libya charged that the American embargo was against international law and tantamount politically to a declaration of war. Libya declared that it was not afraid of such a threat. If Libya were invaded, it would raid cities and ports where U.S. warships are berthed. The meeting of foreign ministers of the Organization of the Islamic Conference held in Morocco supported Libya's move against the U.S. threat. Egypt, Iraq, Jordan, and the Palestine Liberation Organization, which have divergent views with Libya, also stressed that they would stand on the Libyan side against the U.S. threat.

Reagan appealed to all countries to join Washington's sanctions against Libya. Observers hold that the success of the U.S. economic sanctions depends on the support and cooperation of its Western allies. The sanctions would be of no effect even if they are imposed. As a matter of fact, reaction from West European countries was cool. Britain held that the sanctions would not work. West Germany, Belgium, Spain, Portugal, Switzerland, and the Netherlands also expressed reluctance to follow the American lead. A number of countries expressed dissatisfaction against the move because the United States had not consulted its allies in advance. The Soviet Union issued one statement after another condemning the United States.

The situation is now getting worse. Public figures here hold that the United States is trying to make an issue of the Libyan case in an attempt to divert the people's attention from Israel's occupation of Arab territory and violation of Palestine's national rights, which is the crux of the Middle East problem, and to pursue hegemonism in the region. The measures adopted by the United States have further intensified the already unsettled Middle East situation.

BEIJING REPORTS JINGJI RIBAO CHIEF'S USSR VISIT

OW300536 Beijing in Russian to the USSR 1800 GMT 28 Jan 86

[Text] An Gang, chief editor of the Chinese newspaper JINGJI RIBAO, [ECONOMIC DAILY] left Moscow for home on 27 January at the conclusion of a 2-week visit to the Soviet Union. Comrade An Gang visited the Soviet Union at the invitation of the Soviet newspaper IZVESTIYA. During his visit, he was received by Tolkunov, chairman of the Council of the Union of the USSR Supreme Soviet. He also visited Moscow, Riga, Minsk, and Kiev and met with Laptev, chief editor of IZVESTIYA, and economists and representatives of Soviet journalistic circles.

XINHUA NOTES USSR MISSES MAJOR ECONOMIC TARGETS

OW261814 Beijing XINHUA in English 1652 GMT 26 Jan 86

[Text] Moscow, January 25 (XINHUA) — The Soviet Union in 1985 achieved slight ecnomic growth, but failed to meet planned targets in oil, agriculture and other major sectors, according to official figures published here today. The figures, issued by the Central Statistics Board and published by the official TASS news agency, showed that the Soviet national income grew by 3.1 percent in 1985, to about 567 billion roubles, slightly below the planned target of 3.5 percent. The Statistics Board said that increases in labour productivity accounted for 96 percent of the national income.

According to the figures, industrial output in 1985 rose 3.9 percent, in line with the target for the year but down from 1984's 4.2 percent. Experts attribute the drop to the slow start in the first six months of the year, when production barely grew at all. In the second half of the year, the growth of industrial production was 4.6 percent or a 50 percent improvement over the first half.

The year-end statistics said the Soviet Union generated 1,545 billion kilowatt hours of electricity in 1985 and produced 643 billion cubic meters of natural gas and 726 million tonnes of coal, figures which represents production increases of four, nine and two percent, respectively, over the previous year. Meanwhile, steel output totalled 155 million tonnes last year, or 0.2 percent more than 1984. However, oil production continued to be a major headache for the Kremlin in its efforts to modernize the national economy. Last year, oil output totalled 595 million tonnes, well down the latest revised target of 630 million tonnes and 1984's 613 million tonnes.

As in the past six years, no figures were released for production in the troubled grain sector, which experts estimate at around 190 million tonnes, roughly on a par with recent years but well below the original annual five-year plan target of 239 million tonnes. The statistics also showed that the foreign trade volume was about 141 billion roubles in 1985, an increase of only one percent over 1984.

Sectors where targets were missed included the manufacture of ready-rolled steel, other ferrous metals, mineral fertilizers, symthetic resins and plastics. Experts said the causes of the Soviet failure to fulfill many of the planned 1985 targets were varied. They include the lack of efficient reforts in the planning and management system, slow scientific and technological progress, and production inefficiency.

SENIOR MAC MEMBER DENOUNCES 'TEAM SPIRIT-86'

OW281903 Beijing XINHUA in English 1846 GMT 28 Jan 86

[Text] Pyongyang, January 28 (XINHUA) -- A senior member of the Korean-Chinese side on the Military Armistice Commission [MAC] denounced the upcoming U.S.-South Korean joint military exercises and demanded their immediate cancellation, the KOREAN CENTRAL NEWS AGENCY reported today. Speaking at the 433rd meeting of the commission at Panmunjom, Yi Tae-ho charged that the scheduled large-scale military exercises -- code-named "Team Spirit-86" -- involving more than 200,000 U.S. and South Korean Armed Forces have contributed to "heightening the tension to an extreme pitch, further increasing the grave danger of a nuclear war and bringing the dialogues between the North and the South again to a suspension."

Li said that in an effort to ease tension on the Korean peninsula and provide a favorable atmosphere for the North-South dialogue to peacefully settle the Korean question, the Korean Government had voluntarily suspended all its military exercises. However, the U.S.-South Korean side disregarded the peace initiative of the North and planned the "Team Spirit-86" joint military exercises, he said this "is a wanton violation of the preamble of the Armistice Agreement calling for a 'final peaceful settlement' of the Korean question." he said. The "Team Spirit-86" joint exercises are scheduled to start February 10. Li said that the exercises are "an insult to the entire Korean people" and "a vicious challenge." He said that experience has shown that increased tension on the peninsula not only hampers the North-South dialogue, but also makes it fruitless.

DPRK RELEASES JAPANESE FISHING BOAT, CREW

OW292150 Beijing XINHUA in English 1431 GMT 29 Jan 86

[Text] Pyongyang, January 29 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) has released this morning a Japanese fishing boat which illegally crossed its military sea boundary, according to the KOREAN CENTRAL NEWS AGENCY (KCNA). The fishing boat was stopped and detained by a patrol boat of the Navy of the Korean People's Army after fishing inside the DPRK's military boundary on the East Korea Bay. According to investigators, the fishing boat belonged to the Shinwa-Maru Fishing Company of Sakaiminato City, Tottori Prefecture, Japan. The crew admitted having crossed the Korean military security [words indistinct] fish on two previous occasions.

DPRK Navy authorities released the fishing boat and its crew after considering an admission of error from the Japanese seamen and their plea for leniency. The DPRK has (?asked) Japan to take appropriate measures to prevent further intrusions into the militarily sensitive waters.

ENVOY TO JAPAN HOSTS TAIWAN RESIDENTS

OW291846 Beijing XINHUA in English 1654 GMT 29 Jan 86

[Text] Tokyo, January 29 (XINHUA) -- Chinese Ambassador to Japan Zhang Shu today expressed his hope that Taiwan residents in Japan will play a greater role in the cause of national reunification. The ambassador, hosting a buffet reception entertaining about 200 Taiwan residents, said that with things getting better and better in China in recent years, an increasing number of people of Taiwan origin have been back to the motherland visiting relatives and the homeland. This, he said, has contributed a great deal to bridging people on both sides of the Taiwan Straits.

On behalf of the Taiwan residents living in Tokyo and Yokohama, Chairman of the "Minhui" association of fellow provincials from Taiwan Liu Chisheng said at the reception that Taiwan residents overseas are willing to make a contribution to the motherland's reunification.

JAPANESE PETITION TOKYO OVER NORTHERN TERRITORIES

OW281948 Beijing XINHUA in English 1907 GMT 28 Jan 86

[Text] Tokyo, January 28 (XINHUA) -- Japan's Governor of Hokkaido Takahiro Yokomichi, delivered a petition to Prime Minister Yasuhiro Nakasone today demanding the return of the northern territories.

The northern territories are four northern islands just off Japan's Hokkaido: Habomai, Shikotan, Etorofu and Kunashiri Island. The four islands have been occupied by the Soviet Union since 1945. The petition asks that the Japanese Government make an effort to conclude treaty with the Soviet Union on the peaceful return of the territory and establish a solid and peaceful friendship between the two countries.

Nakasone replied that the Japanese Government will continue its efforts toward the return of the northern territories. "Our nation's movement for the return of the northern territories has earned more and more support from the other nations," Nakasone said. He appealed to the whole nation to join in the movement. About 20 people went together with Yokomichi to Tokyo, representing the people of Hokkaido and the northeast regions.

SUN YAT-SEN LETTER TO SHED LIGHT ON REVOLUTION

OW250340 Beijing XINHUA in English 0255 GMT 25 Jan 86

[Text] Hong Kong, January 24 (XINHUA) -- A singaporean collector has announced that he is putting up for sale an English letter written 70 years ago by Dr. Sun Yat-sen, the great Chinese revolutionary leader. According to Singapore press reports today, the collector, who doesn't want to be identified, said that the letter would throw important light on the revolution of 1911 led by Dr. Sun Yat-sen which overthrew the Qing Dynasty. The report said that the collector's family had close connections with leading Chinese historical figures.

PREM MEETS CUI NAIFU-LED DELEGATION IN BANGKOK

OW291331 Beijing XINHUA in English 1256 GMT 29 Jan 86

[Text] Bangkok, January 29 (XINHUA) -- Thai Prime Minister Prem Tinsulanon promised here today that Thailand would continue to do its utmost to develop friendly cooperation with China. During his meeting with a Chinese delegation led by Minister for Civil Administration Affairs Cui Naifu, Prem said that Thailand and China have maintained close and friendly relations and the two countries have developed excellent and fruitful cooperation in many fields.

The Chinese delegation arrived here yesterday for a 10-day visit to Thailand at the invitation of the Interior Ministry of Thailand.

THAI MARINES REINFORCED ALONG CAMBODIAN BORDER

OW281119 Beijing XINHUA in English 0835 GMT 28 Jan 86

[Text] Bangkok, January 28 (XINHUA) -- The Thai Marine Forces guarding the Thai-Kampuchean border in the eastern province of Trat will strengthen their defence capability to resist the frequent intrusions into Thai soil by the Vietnamese troops. This was stated yesterday by General Athit Kamlang-ek, supreme commander of the Armed Forces of Thailand, according to the press reports here today.

Athit said, in addition to their successive assaults on Trat frontier recently which resulted in three Thai navymen killed, the Vietnamese also intruded into the Thai territory in Nam Yun District of Ubon Ratchathani Province but were pushed back by the Thai Army. Signs indicated that the Vietnamese Army in Kampuchea were making full preparations to launch massive military mopping-up campaign against the Democratic Kampuchean resistance forces in Thai border areas, the commander said. The Thai Armed Forces would send more reinforcements to Trat and Ubon border areas to cope with more possible Vietnamese intrusions, he added.

SRV WITHDRAWS TROOPS FROM THAI-CAMBODIA BORDER

OW290802 Beijing XINHUA in English 0721 GMT 29 Jan 86

[Text] Bangkok, January 29 (XINHUA) -- Intensified military activities by Kampuchean resistance forces have forced Hanoi to withdraw some of its occupation troops from the Thai-Kampuchean border, local newspaper THE NATION REVIEW reported today.

Quoting a Thai military authoritative source, the report said since November last year, the Vietnamese troops had also withdrawn about 30-40 Soviet-made tanks from Pailin, a town opposite Pong Nam Ron District of Thailand's eastern province of Chanthaburi, to Rattanamonthol, a district deeper inside Kampuchea.

The source disclosed that three regiments of the Vietnamese Fourth, 330th and 339th Divisions, based in the Kampuchean provinces of Koh Kong and Pursat opposite Klong Yai, Bo Rai and Muang Districts of Trat Province in eastern Thailand, were moved into the Kampuchea interior to protect the area north of Phnom Penh and Highway No 4 which links the Kampuchean port town of Kampong Som and Phnom Penh. He said that Kampuchean resistance forces, especially the National Army of Democratic Kampuchea, have been active in Battambang, northern Siem Reap, around the lake, Tonle Sap, in particular, and in the area close to Kampong Som. He also confirmed that the National Army and the Vietnamese troops had been engaged in heavy fighting in border areas opposite Chanthaburi and Trat Provinces of eastern Thailand.

HONG KONG OFFICIAL OPTIMISTIC ABOUT INDUSTRY

OW261821 Beijing XINHUA in English 1638 GMT 26 Jan 86

[Text] Hong Kong, January 26 (XINHUA) -- Hong Kong's secretary for trade and industry, Eric Ho, holds an optimistic view on the city's industrial future despite rising protectionism in its major markets. Ho explained the situation in an interview with OUTLOOK WEEKLY (OVERSEAS EDITION), which appears in its January 27 issue.

Dealing with the impact of protectionism, he said Hong Kong can expect some gain from the next round of multilateral trade negotiations under the GATT (General Agreement on Tariffs and Trade). A preparatory committee would be set up at a GATT ministerial meeting to be held in September. The United States is expected to press Japan and European countries to give up their "unfair" trading policies in the new round of negotiations and ensure "liberalization" of international trade, Ho said. Any improvement in the general trade environment will only benefit Hong Kong, he declared.

Referring to the expiry of the current Multi-Fiber Arrangement (MFA) in July, Ho said he and the Trade Department would do their utmost to offset the effects of protectionism on Hong Kong's textile trade. As regards U.S. Senator John Danforth's proposal for excluding Hong Kong from the U.S. Generalized System of Preferences (GSP) which allows imports from selected places to enter the United States duty-free, Ho pointed out that in value terms only 16 percent of Hong Kong's exports to the U.S. is still enjoying such treatment. Textiles, garments and footwear have long ceased to benefit from it, he added. Hong Kong's industry has high flexibility and good reputation for filling orders on time, Ho said. It can always find a way out provided it keeps up this tradition.

He admitted that Hong Kong does not have an adequate economic foundation to support high-tech research and development and produce most sophisticated products. But the local industry is capable of turning out high-tech goods of a secondary grade, he said. Ho pointed to the fact that industrial investment is still on a net increase, showing that industrial circles are striving to raise the technological level of Hong Kong's manufacturing industries. Ho said that the proposed third university in Hong Kong which is likely to place special emphasis on technology will help ensure an adequate supply of trained manpower in Hong Kong's industry. The weakening of the U.S. dollar, to which the Hong Kong dollar is pegged, will also benefit local exports this year, he added.

BANK OF CHINA TO INCREASE SERVICES TO HONG KONG

HK280649 Beijing ZHONGGUO XINWEN SHE in Chinese 1408 GMT 23 Jan 86

[Text] Hong Kong, 23 Jan (ZHONGGUO XINWEN SHE) -- Huang Diyan, director of the Bank of China's Hong Kong and Macao Administration, said today that the Bank of China group will further strengthen its services to Hong Kong and Macao industry and commerce. And while basing itself in Hong Kong, the group will help develop economic and trade contacts between the mainland, Hong Kong, and foreign countries, and pave the way and provide information and funds for China's external economic contacts and China's economic cooperation with foreign countries. Huang Diyan made the above statement when talking about the future development of the services of the Bank of China group to ZHONGGUO XINWEN SHE correspondents.

Huang Diyan said that in recent years, the strength of the Bank of China group has increased. Last year, the various services of the Bank of China group developed greatly, and the level of deposits and loans increased by over 30 percent over the previous year. On supporting the construction in the hinterland, Huang Diyan said that last year, the Bank of China group invested a total of HK$4.2 billion, either through direct investment in the mainland or by helping businessmen to invest in the mainland. Half of the funds were invested in the special economic zones and 14 coastal cities open to the outside world.

As far as the future development of the Bank of China group is concerned, Huang Diyan said that the group will continue to expand its business and services, provide new services, such as increasing the level of foreign currency deposits, acting as a commission agent in the buying and selling of foreign exchange and securities and so on, and providing more services to the various social strata in Hong Kong and Macao. In addition, the group will strengthen its services to Hong Kong and Macao industry and commerce, continue to attach great importance to industrial loans, and in accordance with the management characteristics of Hong Kong and Macao businessmen, gradually explore a set of new methods of providing loans that not only conform to the actual needs of the entrepreneurs, but also guarantee the safety of bank funds, in order to achieve better results.

Huang Diyan added that the Bank of China group will continue to work for the development of commercial bank services, for cooperation with enterprises on the mainland and in Hong Kong and Macao in raising funds, for organizing bank groups to provide loans, for issuing bonds or deposit certificates, and so on. He said that last year, one-third of the total investment on the mainland, HK$1.4 billion, was spent on tourist projects. This year, the stress will be shifted to production projects, especially some projects employing advanced technology, whose products will be exported to earn foreign exchange. In order to do this, the Bank of China group will strengthen its contacts with the banks in the mainland and mainland institutions stationed in Hong Kong.

Huang Diyan pointed out that while strengthening its services in Hong Kong and the mainland, the Bank of China group will expand its overseas services. He said that in recent years, Hong Kong's entrepot trade, especially the entrepot trade linking the mainland and foreign countries, has developed rapidly, and has become an important part of Hong Kong's economic activities. Hong Kong's role as a bridge will continue to be developed in the future. In order to adapt itself to this new trend of development, the Bank of China group will strengthen its ties with the overseas banks that have business relations with the Bank of China, with foreign banks, and with overseas customers; expand its overseas services and business; and contribute to the development of the entrepot trade.

SRI LANKAN MINISTER ON RELATIONS WITH CHINA

OW241924 Beijing XINHUA in English 1858 GMT 24 Jan 86

[Text] Colombo, January 24 (XINHUA) -- "The present relationship between Sri Lanka and China is on an honorable, useful and satisfying footing which is based on mutual understanding and interest, and which follows the principle of continuing solid relations with each other," Sri Lankan National Security Minister Lalith Athulathmudali said here today. He made these remarks when addressing the second annual meeting of the Sri Lanka-China Society.

The minister said: "Many countries in the world have China societies. In Sri Lanka and other countries, people always feel it necessary to know, learn and understand what is happening in China." "Today," he said, "what is happening in China continues to be of great interest to us." He stated that China is a developing country seeking to improve itself by various means. The minister wished that the society in Sri Lanka will continue to work for strengthening relations with China.

The Sri Lanka-China Society was set up in October, 1983, with the aim of promoting further traditional good relations between the governments and peoples of the two countries. Chinese Ambassador to Sri Lanka Zhou Shanyan also spoke at the meeting. He expressed the sincere hope that China and Sri Lanka will work together for safeguarding peace in the world in the new year of 1986. A Chinese documentary film of the 35th founding anniversary of New China was shown to society members after the meeting.

INDIAN OFFICIALS CHARGED WITH SPYING FOR TAIWAN

OW291345 Beijing XINHUA in English 1323 GMT 29 Jan 86

[Text] New Delhi, January 29 (XINHUA) -- At least 10 parliament members and two journalists were named in the police charge against Rama Swaroop, who is accused of operating a major spy ring in India, local newspapers reported today. The charge sheet filed yesterday by the Special Branch of Delhi police said that the espionage network is "part of a large scheme by the intelligence agencies of the United States, West Germany, Israel and Taiwan to subvert India's political system."

The persons mentioned in the charge sheet as having visited Taiwan on "invitations" from the accused include two Cabinet ministers -- K.P. Singh Deo and Chandulal Chandrakar -- both of whom resigned from the Cabinet on Monday for their connections with Swaroop. Other names appear in the charge sheet including M.S. Sanjeevi Rao, former chairman of the electronic commission; P. Upendra of the Telugu Desam, the ruling party of the south Indian state of Andhra Pradesh; M.S. Gurupadaswamy of the Janata Party; D.S. Jadeja, Ravind Netam, M.Govinda Reddy, N.K. Shejwalka, and Khushwant Singh and P.N. Laxmanan of the PRESS TRUST OF INDIA. Also named in the charge sheet is former Prime Minister Morarji Desai's son Kanti Desai, from whom Swaroop was said to have collected "happenings at the top." Rama Swaroop, now 54, has been the representative of Taiwan's Far-East Trade Service in India since 1974.

PAKISTAN EXPOSES SOVIET ATTEMPT TO SOW DISCORD

OW281850 Beijing XINHUA in English 1658 GMT 28 Jan 86

["Pakistan Refutes Soviet Ill Propaganda" -- XINHUA headline]

[Text] Islamabad, January 28 (XINHUA) -- Pakistan today exposed the attempt of the Soviet Union and the Kabul regime of Afghanistan at making mischief among the Muslim tribesmen in the Khyber Agency of Pakistan's Northwest Frontier Province.

In an written statement to the National Assembly, Minister of State for Foreign Affairs Zain Noorani said that early last December the Pakistan Government moved troops to the Khyber Agency to search for narcotics and arms. During the action, a large quantity of narcotics and a number of arms were captured in the area. After the action, Radio Moscow reportedly attacked the Pakistan Government for repressing the tribesmen and infringing upon their autonomy. However, Zain Noorani said, the attempts made by the Soviet Union and the Kabul regime to sow mistrust and discord between the Afghan refugees and Pashtun tribesmen have been met with derision. He added that the government is taking necessary measures to counter subversion and lawlessness wherever they may exist.

TWO KARMAL AGENTS ARRESTED IN PAKISTAN

OW281110 Beijing XINHUA in English 0853 GMT 28 Jan 86

[Text] Islamabad, January 28 (XINHUA) -- Two Soviet-trained Karmal agents (Khad agents) were arrested in Pakistan's Northwestern Frontier Province (NWFP) yesterday along with 16 kilograms of explosive material.

A press release issued here today quoted the political authorities of Khyber division in the province as saying that the explosive material and a number of fuses were kept in tea pots packed in a bag. During interrogation, the two agents, Sherbaz, 28, and Rashid Khan, 30, told Pakistan authorities that the explosive material was provided by a senior Khad official living in Jalalabad, capital of Nangarhar Province of Afghanistan, for committing subversion in Pakistan. The accused admitted that the material is sufficient for making 40 bombs. They also said that they were to be given 10,000 afghanis for one blast. The accused told the Pakistan authorities that three more bags of explosives of similar nature and weight are lying with the Khad official in Jalalabad for dispatch.

The two agents entered Pakistan as Afghan refugees. They were spotted by a tribal shopkeeper, who got suspicious of the luggage of the two agents. The shopkeeper informed the authorities who arrested the two in a quick operation. Seven bomb blasts have taken place in the province since the beginning of the year, the worst being the one in a building of the Pakistan International Airline in Peshawar on January 23 which killed three persons and injured 29 others. Opposition parties organized anti-government processions and meetings in Peshawar in the last few days, during which they demanded that the government resign if it cannot protect the life and property of the citizens.

CYPRUS PRESIDENT DISCUSSES RELATIONS WITH ENVOY

OW291842 Beijing XINHUA in English 1515 GMT 29 Jan 86

[Text] Nicosia, January 29 (XINHUA) -- Cyprus President Spyros Kyprianou met Chinese new Ambassador to Cyprus Luo Yisu (7482 0076 4725) here this morning and discussed the Cyprus problem and Sino-Cypriot relations.

President Kyprianou told the new Chinese ambassador about the development of the Cyprus problem and the stand of Cyprus Government, and expressed his gratitude to the Chinese Government and people for their concern about the settlement of Cyprus problem. Referring to Sino-Cypriot relations, President Kyprianou pledged to do his best to develop the friendly relations between the two countries. The Chinese ambassador reaffirmed the Chinese Government's stand on the Cyprus problem, and expressed the hope of Chinese Government and people for over-all development of friendly cooperation with Cyprus.

NETHERLANDS TO EXPAND MARITIME COOPERATION

HK280814 Beijing CHINA DAILY in English 28 Jan 86 p 1

[By staff report Xu Yuanchao]

[Text] China and the Netherlands are to co-operate in maritime transport, port construction, shipbuilding and telecommunications, said N Smit-Kroes, minister of transport and public works of the Netherlands. She told a press conference in Beijing yesterday that the cooperation side of the maritime transport agreement between the two countries would be expanded in the near future. Further discussion would be held by representatives of the two countries this summer.

The Chinese government will expand Nantong Port, northwest of Shanghai, doubling its current capacity. The feasibility study for the project will be carried out by the Boskalis and Multiterminals companies and the Chinese authorities and the six-month study is expected to be finished by July. A joint venture will be set up to operate the port, Smit-Kroes said.

China signed two technical cooperation agreements last year with IHC Holland to build up-to-date dredgers in Tanggu near Tianjin and Fuzhou in Fujian Province. The Dutch government has allocated funds to help the Chinese develop the expertise to build a series of dredgers and IHC Holland, a leading Dutch company, has delivered more than 50 of the vessels to China, she said. The Dutch Port and Delta Consortium PDC, a government and private sector firm, has sent a team of experts to China this month to offer technical consulting services for the Yangtze estuary project, the minister said.

Smit-Kroes said that an automatic telephone connection between China and the Netherlands would be established in the near future. The two governments had agreed on transfer of expertise through fellowships, seminars and exchange of staff. The 25-member delegation headed by Smit-Kroes, which arrived in China last Thursday, will also visit Guangzhou. Premier Zhao Ziyang talked with Smit-Kroes on Saturday.

NETHERLANDS PHILIPS TO INCREASE BUSINESS IN PRC

OW292054 Beijing XINHUA in English 1647 GMT 29 Jan 86

[Text] Hong Kong, January 29 (XINHUA) -- Philips, the leading Dutch electronics manufacturer, will increase its business in China in the areas of telecommunication and computers, the company announced at a press briefing here today. "We expect an enormous growth in the number of banking terminal systems and automatic teller machines (ATM) in China in the coming few years, as the use of money and, particularly, savings, increase," he said. "We have developed a new system that will provide a stereotype for future automation in all the 40,000 bank branches in China, " he added.

Philips is cooperating with the Chinese Ministry of Electronics Industry in developing ATMs, a system with language capabilities, recovery functions and security measures tailored to the China market. Philips has already signed contracts with the Bank of China for installing 12 ATMs in Zhuhai, a special economic zone in Guangdong Province, by mid-1986 -- the first order ever taken in China for this type of equipment, he said. The firm's manufacturing activities in China are also expanding, Westerhof said. It is involved in a wide range of joint ventures for the production of mobile radios, private automatic branch exchanges, teleprinters, optical fiber and transmission systems.

NETHERLANDS PARTIES CRITICIZE U.S.-USSR STANDS

OW231945 Beijing XINHUA in English 1929 GMT 23 Jan 86

[Text] The Hague, January 23 (XINHUA) -- The two Dutch Government coalition parties -- Christian Democrats and Liberals -- were critical of the stands adopted by the two superpowers at the Geneva disarmament talks. Debating on the 1986 Defense and Foreign Ministry Budget in the Second Chamber of Dutch Parliament, Christian Democrats (CDA) spokesman Ton Frinking said yesterday that the United States should show greater willingness to negotiate its "star wars" research program for defensive weapons in space. Allies should make their political support conditional on Washington's readiness to negotiate with Moscow on the program, he said.

On Soviet leader Mikhail Gorbachev's latest proposals for ridding the world of nuclear arms by the year 2000, Frinking said he was sceptical of the scheme. Nuclear disarmament would certainly have to go hand in hand with measures to reduce Soviet superiority in conventional arms, he said. Liberal spokesman Joris Voorhoeve said Gorbachev's plans should not raise "naive optimism." He said strong defenses must be retained. "It is only possible to live in peace with this superpower if a dike is placed around it," he said, adding, "where the dike is missing, or weakened, the Soviets might well eventually break through."

The Netherlands has agreed to deploy 48 U.S. cruise missiles by the end of 1988, unless a new superpower accord makes the deployment on Dutch soil unnecessary.

SINO-NORWEGIAN ENGINEERING VENTURE INAUGURATED

OW291848 Beijing XINHUA in English 1646 GMT 29 Jan 86

[Text] Guangzhou, January 29 (XINHUA) -- China and Norway have opened a joint marine engineering and designing company in Guangzhou, according to officials here today. The company, set to operate for 12 years, will mainly undertake the design offshore projects, carry out feasibility studies of offshore oil development, and offer consulting services.

HUNGARY SIGNS S&T ACCORD WITH PRC IN BUDAPEST

OW260740 Beijing XINHUA in English 0709 GMT 26 Jan 86

[Text] Budapest, January 25 (XINHUA) -- China and Hungary today signed an accord on increasing cooperation in the Scientific and Technological fields in the next five years. Under the agreement, the two sides will exchange scientific information and academic publications, brief each other on international conferences and exhibitions, and invite each other to participate in international scientific activities.

The agreement was signed by Zhou Peiyuan, chairman of the China Association for Science and Technology and Janos Toth, general secretary of the Hungarian Association of Science and Technology. After the signing, Deputy Speaker of the Hungarian National Assembly Janos Peter hosted a dinner for Zhou and his party. Hungarian Vice Premier Laszlo Marothy met Zhou Peiyuan yesterday and the two discussed ways to further scientific and technological cooperation between the two countries. Zhou and his party arrived here on Thursday and leave next Monday.

HUNGARIAN OFFICIAL SAYS TIES WITH PRC 'SETTLED'

OW292305 Beijing XINHUA in English 1446 GMT 29 Jan 86

[Text] Budapest, January 29 (XINHUA) -- A senior Hungarian party official has said that it is now possible for the Soviet Union and United States to agree on compromise solutions to their differences as a result of the improved international atmosphere since Geneva. Matyas Szuros, secretary of the Central Committee of the Hungarian Socialist Workers' Party, said in a radio speech on Monday that the international atmosphere has improved since the Soviet-U.S. Geneva summit last November, and "these and other developments prove that compromise solutions and agreements are pssible." Detente will be further strengthened in 1986, he said.

In his speech, published by Budapest's DAILY NEWS today, Szuros focused on Hungary's relations with the Soviet Union and other socialist countries. He described Hungarian-Soviet links as "vital to us." The 27th Congress of the Soviet Communist Party scheduled for next month, he added, "will be an important milestone and result in the formation of a leadership that will define the Soviet Union's overall policy." Szuros said Budapest will host a session of the Political Consultative Committee of the Warsaw Pact nations in 1986. The meeting is "aimed at further coordinating our common international activities," he said.

He also touched upon Chinese-Hungarian relations, which he described as "settled." He said, China was in a period of renewal and genuinely opening to the outside world. The Hungarian party official also condemned terrorism, including the terrorist attacks last month on the Vienna and Rome airports, in which there were Hungarian victims.

SFRY PAPER CRITICIZES USSR PROPOSAL ON CAMBODIA

OW290753 Beijing XINHUA in English 0650 GMT 29 Jan 86

[Text] Belgrade, January 29 (XINHUA) -- Well-known Yugoslav commentator Dragoslav Rancic today criticized the Soviet proposal for ignoring the Kampuchean resistance forces led by Khieu Samphan as a political power in Kampuchea. "It is hard to make people believe," Rancic said in a commentary published in today's POLITIKA, one of Yugoslavia's major newspapers, that the forces led by Khieu Samphan, the major resistance force against the Vietnamese, "is not a political power" and could be excluded from participating in a political solution of Kampuchea.

On January 8, Soviet Vice Minister of Foreign Affairs Mikhail Kapitsa said that the Soviet Union proposes Kampuchea "hold an election with the participation of foreign

observers." He also suggested calling an international conference which should include representatives of "the three countries of Indo-China, the five permanent members of the U.N. Security Council, the member states of the Association of Southeast Asian Nations, India, Australia and Sweden." Rancic pointed out that the proposal failed to get reaction from people of the world because it disregarded two major points. One is that any political solution to the Kampuchea issue should be based on the precondition that Vietnam withdraw its troops from Kampuchea, which the United Nations insists is the key to a solution. And secondly the Soviet proposal did not give any consideration for the Armed Forces led by Khieu Samphan.

Rancic said that the Soviet proposal is probably based on its realization that "after seven years, the Vietnamese still failed to solidify the Heng Samrin authority," not to defeat the resistance forces. Rancic added that until recently, "the Soviet Union recognized no powers in Kampuchea but Vietnam and Heng Samrin. Now, however, they respect, at least, one fact: Norodom Sihanouk and Son Sann are realistic political factors."

NEW BULGARIAN THEORIES ON SOCIALIST SOCIETY

HK280647 Beijing GUANGMING RIBAO in Chinese 13 Jan 86 p 3

[Article by Dong Bainan: "New Interpretations of Certain Problems by Theoretical Circles in Bulgaria" -- Capitalized passages published in boldface]

[Text] In recent years theoretical circles in Bulgaria have put forward many new interpretations differing from traditional views in theoretical research.

I. CONCERNING THE QUESTION OF CONTRADICTIONS IN SOCIALIST SOCIETY In their view, there remain contradictions in socialist society. If inadequate importance is attached to contradictions between socialism and bureaucratism, to voluntarism, to the malpractice of securing advantages through pull, as well as to the influence of Western countries, and if no attention is paid to creating conditions to solve these contradictions, then these nonantagonistic contradictions may be transformed into antagonistic ones under certain conditions and may bring about social crisis and conflict. Therefore, socialist society should also make progress in the course of discerning and solving contradictions.

On how to solve contradictions in socialist society, they say that there are two different approaches: in one approach attention is given only to the phenomena, not to the factors contributing to these phenomena; in the other, when attention is drawn to the phenomena, efforts are also made to eliminate the factors contributing to these phenomena. They have repeatedly stressed that the latter is the basic way to solve contradictions.

On the question of what constitutes the basic contradiction under socialist conditions, theoretical circles in Bulgaria have three different viewpoints. The first says that the basic contradiction is "between the forces of production and the relations of production"; the second notes that it is the "contradiction between the level of production, determined by the development of the productive forces, and ever-growing social demands"; and the third believes that it is the "contradiction between the equal status of all workers in the relationship to the means of production and their unequal status in distribution of social products according to socialist principes governing distribution."

II. CONCERNING OWNERSHIP OF THE MEANS OF PRODUCTION There are now four types of ownership of the means of production in Bulgaria, namely state ownership, cooperative ownership, ownership by social organizations, and individual ownership. In their opinion, the first three types of ownership are socialist property, and ownership by individuals is a natural continuation and supplement to the socialist economy. Under socialist conditions, ownership of the means of production should be separated from the power of operation and management. The state represents the interests of the whole people; it should therefore be the owner of socialist property; while collectives or individuals working for all kinds of enterprises in the country are operators of socialist property; Bulgaria believes that this is the theoretical basis for the implementation of the new economic structure. The state, as owner of socialist property, should have a direct hand in the operation of this property. Its function should be only: 1) to develop and increase socialist property; 2) to guarantee a basic balance in the national economy and its necessary growth rate; and 3) to exercise regulation and control over working collectives in a planned way and to make continuous efforts to enhance the material, ideological, and cultural levels of workers. In adherence to the principle of successfully fulfilling the tasks assigned by the state, all working collectives or individuals, as direct operators of socialist property, should be responsible for production, supply, and marketing in an all-round way. The relationship between working collectives or individuals and the state is established on the basis of the contract system. The state provides laboring collectives with the means, implements, and capital for production and laboring collectives must fulfill the tasks assigned by the state and the contracts drawn up with other laboring collectives.

They share the view that cooperative ownership should not necessarily be transferred to state ownership and that the two can complement each other and run parallel with each other. With the development of social division of labor among all economic departments and the development of specialization and concentration in production, economic ties between regions and between departments are ever more strengthened and the two kinds of ownership will finally merge with each other and become the sole ownership by the whole people.

III. CONCERNING THE RELATIONSHIP BETWEEN COMMODITIES AND CURRENCY UNDER SOCIALIST CONDITIONS In the past, theoretical circles in Bulgaria held the view that the building of a developed socialist society could be accomplished in a short time, and that Bulgaria could enter the stage of a developed society by the end of the century. However, they now believe that a developed socialist society cannot be built so quickly, and that the building of the society should cover a historical period of considerable length. One of the features marking this historical period is that the relationship between commodities and currency continues to play its role in the whole system of production, distribution, and consumption. If we artifically take administrative measures to restrict this relationship, a great deal of dislocation and confusion will appear in the economy as a whole. What communists should do is turn the relationship between commodities and currency and the law of value into a powerful strength for stimulating the expansion of production, creating more social wealth, and raising the people's living standards. Theoretical circles in Bulgaria have pointed out that in the application of the relationship between commodities and currency, however, some unhealthy tendencies, such as speculation, benefiting oneself at the expense of others, and profiting by other people's toil will inevitably appear, but that this problem can be solved by improving distribution relations and strengthening ideological education, and through legal and administrative measures.

STATE COUNCIL CIRCULAR LIMITS OVERSEAS TRIPS

OW281415 Beijing XINHUA Domestic Service in Chinese 0225 GMT 28 Jan 86

[Text] Beijing, 28 Jan (XINHUA) -- The General Offices of the CPC Central Committee and the State Council recently issued a joint circular addressed to leading bodies of central and local party, government, and military organizations as well as to mass organizations, calling on them to stop sending unnecessary delegations, groups, or personnel abroad.

The circular says: With the implementation of the policy of opening up to the outside world, our country has increased its contacts with other countries with each passing day over the past few years. As a result, the number of delegations, groups, and personnel going abroad has increased, and this is necessary. Contacts between China and other countries will continue to expand in the future. However, some confusion and unhealthy tendencies have occurred in sending delegations and groups abroad for short visits due to the need for examination and approval of such visits by a host of organs, the lack of overall control and coordination, lax management by some localities and departments, and their failure to make strict checks in this regard. As a result, the following phenomena have become rather widespread: Study trips are being repeated, people take turns in visiting foreign countries, and some people abuse their powers by vying with others to go abroad themselves or letting those close to them do so. Quite a few delegations and groups visiting foreign countries consist of too many members and include too many non professionals, and they stay abroad too long. A small number of personnel, while visiting foreign countries, ask foreigners or foreign citizens of Chinese origin for money and other presents, harming their personal as well their national dignity. All such problems are harmful to our country's policy of opening up to the outside world and affect the prestige of our party and country; they also have a corrosive influence on some of our cadres. To check these confusing phenomena and correct these unhealthy tendencies, the following circular is hereby issued in accordance with instructions from the CPC Central Committee Secretariat and the State Council:

Strictly implement the system of examination and approval. From now on, when leading cadres of or above the rank of head or deputy head of a province, autonomous region, or municipality directly under the central authority or a department, commission, or other organ directly under the CPC Central Committee or the State Council, including those retired, need to visit foreign countries, they must all refer their requests to the State Council or the relevant central leading organ for examination and approval. As for visits to foreign countries by other personnel, they must be strictly controlled by the departments concerned and examined and approved at each level. Under no circumstances must the power to examine and approve overseas trips be delegated without authorization. Where such power has been delegated, it must be corrected forthwith.

When personnel are sent abroad on investigative tours in connection with projects using foreign equipment or technology managed by specialized departments, in accordance with a unified state plan the tours should be organized by the departments concerned of the State Council together with the Ministry of Foreign Economic Relations and Trade. However, no investigative tours to foreign countries should be organized in connection with a project when the equipment is on the state's list as a temporarily prohibited import, similar equipment or production lines have already been imported into our country, or only a single piece of machinery or equipment rather than a complete set of equipment is imported. When a locality, department, or unit sends an economic, technical, science, cultural, education, or public health visiting group to foreign countries, there must be a clear-cut and concrete purpose, the group members must be capable professional experts, and the time of their stay overseas must be as short as possible.

Moreover, the group should not visit additional countries and regions on the way, nor should it contain two principal responsible comrades from the same locality or department. In short, the principle of few members, small groups, and competent personnel should be resolutely carried out. Leading organs at various levels with the authority to examine and approve requests for permission to send out visiting groups should do this in a serious manner and strictly guard against mistakes and oversights. If undesirable consequences have resulted from failure to do so, the one who approved the request should be held responsible.

Coordinate and supervise seriously. In dealing with applications for traveling out of the country for economic and technological purposes (excluding foreign trade), the localities and departments empowered to approve applications should report proposed trips, according to categories of the products involved, to the related departments of the State Council for their records before the foreign parties concerned are officially informed of the trips. As for trips that cannot be categorized by products involved, those concerning capital construction should be reported to the State Planning Commission, those concerning technological transformation reported to the State Economic Commission, those concerning scientific-technological cooperation and exchange with foreign parties reported to the State Science and Technology Commission, and those concerning international economic cooperation reported to the Ministry of Foreign Economic Relations and Trade. If the departments receiving such reports find a proposed trip unnecessary or unjustified, they should raise an objection within 2 weeks after receiving the particular report, and they may exercise their veto power if necessary. With regard to trips for foreign trade purposes, supervision should also be intensified in accordance with the above guidelines. In no way should the localities and departments empowered to examine and approve applications for traveling abroad take a lax attitude in performing their duty because the proposed trips are reported to the specialized departments concerned. In addition, it is necessary to avoid sending too many visiting groups to certain countries and regions or visiting certain countries and regions too frequently.

Tighten control of expenses for traveling abroad. Central and local departments in charge of work in various specialized fields are required to draw up their annual foreign-exchange spending plans for trips out of the country to cover the foreign exchange (including nontrade foreign exchange, trade foreign exchange, foreign exchange retained from various earnings, and foreign exchange from other sources) to be spent by party and government organs at various levels, people's organizations, Army units, enterprises, and institutions for trips out of the country. They should report such plans to the Ministry of Finance or the provincial, regional, or municipal department (bureau) of finance and establish a special account for this purpose. The renminbi expenses required for such trips should also be strictly controlled. If the actual expense has exceeded the budgeted amount, no more renminbi or foreign exchange should be spent in that year for sending visiting groups or personnel abroad. Any expense by a visiting group abroad incurred against the regulations should not be approved by the financial and accounting departments; the excess should be converted into renminbi and repaid by the persons concerned through deduction in installments from their wages. In addition, the persons concerned should be subjected to criticism and education or given disciplinary sanction by the party or government according to the seriousness of their cases.

Strengthen ideological education and strictly enforce discipline in dealing with foreign affairs. Leading cadres at all levels should set an example by refraining from vying with each other to make trips abroad by taking advantage of their positions and power. When examining and approving applications for traveling abroad and when organizing visiting groups to foreign countries, they should act in accordance with the principle of party spirit. It is necessary to earnestly step up ideological and political work among those going abroad. Prior to their departure, they should be given a period of education in the current situation and policies and in the discipline that should be observed in handling foreign affairs.

In carrying out activities in foreign countries, everyone should be loyal to his duty, strictly guard secrets, be honest in carrying out his official function, abide by discipline in handling foreign affairs, and avert anything harmful to our national dignity or to one's own personality. All localities and departments should conduct a serious examination of the work in sending their personnel on temporary stays abroad since last year and, if problems are found, submit feasible corrective measures. The Discipline Inspection Commission of the CPC Central Committee should emphasize conducting checkups in some localities and departments to see how they examined and approved applications for traveling abroad. In case major problems are discovered, it is necessary to grasp typical examples and deal with them. From now on, the departments examining and approving applications for traveling abroad and departments in charge of discipline inspection should conduct periodic checkups so as to sum up experience, commend good examples, correct undesirable phenomena, and solve the problems uncovered. The circular requests that following the dissemination of this circular, leading party, government, and Army organs at all levels as well as all people's organizations and all discipline inspection departments seriously take it as an important political task to correct the chaotic situation and unhealthy practices with regard to making trips abroad and see to it that remarkable results for this task are achieved in a short time.

STATE COUNCIL ORDERS THRIFTY SPRING FESTIVAL

OW290031 Beijing XINHUA Domestic Service in Chinese 1322 GMT 28 Jan 86

[Text] Beijing, 28 Jan (XINHUA) -- The General Office of the State Council issued a circular today, strictly banning extravangance and waste, as well as dinners and gifts, during the Spring Festival. The circular says: The Spring Festival is approaching. To implement the guidelines of central leading comrades' speeches at the meetings on improving party style of central organs, and to fulfill the requirements set by the General Offices of the CPC Central Committee and the State Council in the circular on a solution for a number of serious problems currently existing in office work style, the following regulations strictly banning extravagance and waste, as well as dinners and gifts, during the Spring Festival period are reiterated and circulated in accordance with tbe opinion of State Council leading comrades:

1. All units should not hold tea parties or receptions during the Spring Festival period, except for receiving foreign guests or Overseas Chinese, or for promoting united front work. If a tea party or reception is indeed necessary, it should be approved in advanced by higher authorities, and only a cup of tea, instead of sweets and pastries, should be provided on the occasion.

2. Leading organs at various levels should not seek or accept gifts from subordinate units, nor take advantage of position and power to purchase festival goods at lower prices from grass-roots units. Dinners or gifts from lower-level units to higher authorities or supervisors are strictly forbidden.

3. Dinners and gifts between various units and departments at public expense are forbidden. It is necessary to practice thrift in unfolding essential activities to express gratitude.

4. Departments should not give lavish staff celebrations and awards. If a celebration or award meeting is needed, it is necessary to stress practical results and guard against formalism, and issuance of bonuses or awards in cash or in kind is prohibited.

5. Governments and departments concerned at all levels should educate cadres and the masses of people to foster new socialist style and oppose ostentiation and extravagance, and they should strictly ban gambling and feudal superstitious activities.

TACKLING TOUGH PARTY STYLE PROBLEMS ENCOURAGED

HK291154 Beijing RENMIN RIBAO in Chinese 24 Jan 86 p 1

[Commentator's article: "Acting as a 'Blacksmith' in Establishing a Correct Party Style of Work"]

[Text] Gan Dehua, deputy secretary of the Discipline Inspection Committee of Zigui County, is a man who adheres to principle, handles matters impartially and is not swayed by personal considerations. In the face of unhealthy tendencies and evil practices, he is upright, never stoops to flattery, and dares to tackle tough problems. People praise him as an "impartial discipline inspector" and the Hubei Provincial CPC Committee has conferred on him the glorious title "model cadre of discipline inspection."

We have talked too much about the importance and necessity of checking unhealthy tendencies. We should now perform actual deeds. As the central leading comrades have repeatedly stressed, we should earnestly investigate and seriously deal with major cases of evil practices, violation of the law, and discipline occurring in areas and units of which we are in charge. Therefore, leading cadres and cadres for discipline inspection of various levels should strive to become "blacksmiths" "who dare to tackle tough problems." Why is it that some localities cannot solve their problems for an extended time? Why is it that minor problems are resolved but major ones cannot be smoothed out? Why is it that some problems involving leading cadres cannot be thoroughly investigated and dealt with? A major reason for this situation is that leading cadres, including cadres in charge of discipline inspection work, do not dare tackle tough problems. However, Comrade Gan Dehua is not such a man. Backed by the county CPC Committee, he dared to investigate problems involving a deputy secretary of the county CPC Committee, problems involving a deputy head of the county, and problems involving anybody else. This required plenty of guts, courage, and resourcefulness. If one does not have the spirit of "he who is not afraid of death by a thousand cuts dares to unhorse the emperor," he can hardly achieve it.

In the face of unhealthy tendencies, some comrades may wish to become "blacksmiths." But though they dare to hit snags once or twice, they dare not do more, as they lose courage and a dashing spirit and lack the indomitable revolutionary spirit of "the foolish old man removed the mountains." Do doubt it is not easy to thoroughly investigate complicated problems and deal with tough cases one after another. The fight against unhealthy tendencies and violations of the law and discipline is not a task that can be fulfilled in a short time and at one stroke. Only by making firm, serious, and unremitting efforts to wage staunch struggle as the foolish old man did will we be able to gradually improve party work style and, generally, social mood. Comrade Gan Dehua has engaged in discipline inspection work for many years, but he always has high morale. He is a good example for us. Discipline inspection work is very important and hard. To be successful, on the one hand, cadres engaged in discipline inspection should adhere to principles and dare to tackle tough problems; on the other hand, party committees and leading comrades at higher levels should support them, especially when confronted with difficulties and obstacles. Supporting and giving rein to cadres of discipline inspection will facilitate the improvement of party work style and general social conduct.

MODERN ENTERPRISE MANAGEMENT DISCUSSED

HK271614 Beijing RENMIN RIBAO in Chinese 20 Jan 86 p 1

[Commentator's article: "Make a Success of Enterprise Management"]

[Text] The 5 years of the Seventh 5-Year Plan are key to laying foundations for the invigoration of China's economy in the 1990's.

Over two-thirds of industrial output value and state revenues set in the Seventh 5-Year Plan should be accomplished by existing enterprises. To improve enterprise management and bring the full potential of these enterprises into play is of utmost significance to the fulfillment of the Seventh 5-Year Plan and economic development in the 1990's.

Attainment of this goal is a matter of great importance. Over the past few years, a great deal of work has been done in this aspect. Through overall reorganization and preliminary reforms, the managerial level of these enterprises has been raised to a certain degree. However, the endeavor is just beginning. Leading comrades of the State Council pointed out recently: Our enterprises are falling behind in both technology and management. Comparatively speaking, they lag behind especially in management. We must therefore strive to improve management in particular.

Backward managerial expertise in our enterprises finds expression mainly in the poor quality of their products, high consumption of raw materials, and undesirable economic results. Over 10 percent of enterprises have suffered losses over a long period of time. Less than 30 percent of the products of our engineering and electronics industries, (which are suppliers of technical equipment for our economy,) are now at the level of the 1970's and early 1980's. The consumption of raw materials in the majority of our enterprises is eminently higher than enterprises in developed countries. Of course, improving quality and lowering consumption depends mainly on updating products and equipment and enacting technological transformation. However, under current circumstances, enhancing the scientific management level of enterprises is more important and urgent than other things. Some of our enterprises are well-equipped, or even equipped with foreign up-to-date machinery and technology. But economic results remain discouraging, and production cannot reach advanced levels. The crux of the problem is the lack of good management.

In saying that production does not go up, some comrades often blame it on backward expertise and equipment, but they do not admit poor management work. Referring to better economic results, they often pin their hopes on increasing investment and building more new projects, but they fail to stress improving enterprises performance; they do not stress improving management. This is obviously a lopsided view. Under the new situation of enacting reforms, opening up to the outside world, and enlivening enterprises over the past few years, great changes have taken place inside and outside enterprises. After freeing themselves from the previously closed structure of operations, they have gradually become independent economic entities. To understand the new situation, they have to have modern management knowledge and establish applicable management systems, organizations, and measures. At present, enterprises with a poor foundation and those with a good foundation should both make great efforts to improve their management and enhance their management level. If not, they can hardly bring advanced technology and equipment into full play, nor can they attain high efficiency in production, improve quality, and achieve better economic results.

In assigning work for this year, the recent national economic work conference laid special stress on improving enterprise management. It also set some basic demands and standards for improving enterprise management under the Seventh 5-Year Plan. Enterprises are urged to strive in mapping workable plans for an overall upgrade of their operations in line with actual conditions so as to conscientiously fulfill the task of strengthening management. We believe that, provided our cadres and workers on the economic front work hard at this in the new year, we will be able to step forward in establishing a socialist modern management system with Chinese characteristics.

GANSU OIL WORKERS PRAISED FOR PARTY STYLE

HK290537 Beijing RENMIN RIBAO in Chinese 21 Jan 86 p 1

[Report by investigation group of Gansu Provincial CPC Discipline Inspection Committee: "Yumen Oil Field Improves Party Style by Constantly Linking Education in Party Spirit With Reality"]

[Text] Yumen oil field, a great contributor to the development of our country's petroleum industry, has been elected as a "six-good enterprise" for its good party style and prevailing morality and for its continuous improvement of economic results in the late stage of the oil field. The Yumen oil field has had successful experience in grasping party style. "The key lies in the leadership." All the members of the party committee have been strict with themselves, set an example by their own deeds, played an exemplary role, and thus seized leadership power in grasping party style. Last winter and spring, when new unhealthy practices were spreading throughout the oil field, no problems with exploitation of power, sudden promotion of cadres, or indiscriminate payments of bonuses in cash or in kind emerged. This was mainly due to the fact that for a long time party organizations at all levels in the oil field had given first priority to satisfactorily grasping party spirit education among party members.

The most outstanding characteristic of the Yumen oil field in grasping party spirit education is the relevance and regularity of the education. For years, people there link education with practice, focus on a key aspect of education in a particular period and at a particular stage, and thus imbue education in party spirit, style, and discipline with concrete contents and scored high achievements. The living conditions at Yumen oil field are arduous. In addition, as the exploitation of the oil field is in its late stage, total income and fringe benefits for staff and workers there are not as favorable as those in other oil fields in the country. Therefore, quite a few people thought of applying for transfer from Yuman oil field. Through party spirit education, a change emerged in the minds of the party members who were not keeping their minds on their work. Among the seven party members in drilling team No 852, five did not concentrate on their work in the past. They time and again applied for transfer to jobs elsewhere. But now, they unanimously express the view that "no matter how small Yumen oil field is, it is a treasure of our motherland, and no matter how old it is, we will contribute its remaining strength to the people."

Another outstanding characteristic of Yumen oil field in grasping party spirit education is the diversification of forms, flexible methods, and continuous efforts to make education scientific. The people there have been able to refrain from clinging to old methods and have adopted new methods in light of the new situation and problems in the minds of party members. They have adhered to the principle of enlightenment and strived to convince people with arguments, move people with sincerity, and attract people with lively and interesting forms, refusing to be satisfied with making general calls. In light of the relatively large number of young party members, some units have carried out activities of "three thoughts" and "four glories:" At the question of whether their life is hard, think of the arduous process of establishing the petroleum industry; at the question of whether their labor is heavy, think of the older generation of people who have devoted themselves to the oil field; at the question of whether they have got the worst of it, think of the border troops who are fighting bloody battles with Vietnamese troops. "It is glorious to devote oneself to the work of oil prospecting," "it is glorious to find oil in the wilds," and so on. By so doing, they have roused party members to be first in undergoing hardship and to strive to make contributions.

Some units have raised different requirements for different party members in light of the actual situation and have done their best to ensure that all party members have actually received what party spirit education intends to teach them. At present, a fine prevailing morality of regarding adherence to the principle of party spirit as glorious and violation of the principle of party spirit as shameful has gradually taken shape in the oil field. The reason Yumen oil field has scored relatively distinct achievements in its party spirit education and has prevented formalism in carrying out education is, to a fairly great extent, because it has grasped inspection and implementation, continued to consolidate its achievements, and regularized education.

Commentator's Article

HK290539 Beijing RENMIN RIBAO in Chinese 21 Jan 86 p 1

[Commentator's article: "Education in Party Spirit Must Be Realistic"]

[Text] It is very difficult for a large enterprise like Yumen oil field to have no malpractices in power exploitation, sudden promotion of cadres, or indiscrimate payment of bonuses in cash or in kind. It deserves the honor of the title of "six-good enterprise" with good party style and prevailing morality and has continued to improve the economic results of a late-stage oil field. A fundamental reason why Yumen oil field has scored such a satisfactory achievement is because its party committee has managed the party and conscientiously persisted in carrying out party spirit education. There are two aspects of experience in Yumen oil field's party spirit education worth noting.

1. Education is closely linked to reality. On one hand, a conscientious analysis is made in light of the reality in the thinking of party members and cadres and of their common problems in order to decide the content of the party spirit education and thus ensure objectives in education. On the other hand, the oil field has linked its party spirit education with production and reforms, implemented education soundly, and promoted development of production and reforms. The achievements of its party spirit education are concrete and are something people can see and feel; therefore, they are well accepted by both the leadership and the masses.

2. The oil field has grasped its party spirit education in a down-to-earth manner, made good arrangements for conducted inspection of it, and established a responsibility system geared to its education in party spirit and discipline. By so doing, it is possible to promptly uncover problems, promptly correct unhealthy practices, and thus check erroneous ideas at their outset.

Party spirit education seems to be "theoretical" work, but only by doing this "theoretical work" in a practical manner will we persist in doing it and in achieving actual results. We believe that as long as the party committee in all areas and units really understand the importance of party spirit education, striving to pursue good results and explore methods of actually doing the work, they will certainly be able discover the methods of party spirit education suited to the reality in their areas and units and effective in practice, and be able to gradually regularize education.

COMMENTATOR URGES IMPLEMENTATION OF FISHERY LAW

HK280417 Beijing RENMIN RIBAO in Chinese 22 Jan 86 p 2

[Commentator's article: "Apply the Law in Promoting and Supervising Fishery"]

[Text] Along with the readjustment of rural production structure and the raising of urban consumption standards, fishery production will occupy an increasingly important position in our country's national economy and people's lives.

The promulgation and implementation of the fishery law of the People's Republic of China have provided a legal guarantee for the rapid development of our country's fishery production. This is a major event in the history of our country's fishery. For quite a long time, because of the lack of a good understanding of objective law in the fishery economy, we made a series of mistakes in our general and specific policies concerning fishery production. As a result, our country's fishery production has become a weak link in our national economy, and it has become more and more "difficult" for people living in both urban and rural areas to "eat fish." In rural reforms implemented in recent years, we have carefully reviewed experiences and learned lessons, and have gradually corrected our guiding ideology for accelerating the development of fishery production, defined production policies, economic policies, technological measures, and methods concerning the strengthening of protection and management of fishery resources, and have achieved remarkable successes in practice. The new fishery law aims at encouraging, supporting, and promoting the further development of fishery production, and at legalizing the general and specific policies, experiences, and methods proven to be correct in practice over the past few years, thus enabling them to become authoritative, stable, and continuous. This will produce a profound impact on the development of our country's fishery.

Because in the past we failed to effectively protect fishery resources and to strictly manage fishery production, coastal areas blindly increased the number of fishing boats and fishing nets, violated regulations concerning prohibited fishing zones and prohibited fishing periods, and fished recklessly. In inland waters, some people destroyed the ecological environment of fish by poisoning, using explosives, stealing, and rushing to catch fish. In order to protect national interests and the legal rights of fishery workers, the new fishery law clearly stipulates specific disciplinary, civil, and criminal sanctions against offenders, which are not only essential for safeguarding social order but also conducive to the further development of fishery productive forces.

The fishery law of the People's Republic of China is a basic fishery law formulated since the founding of the People's Republic of China. It fully embodies the spirit of applying the law in promoting and supervising fishery and the spirit of "relaxing, invigorating, and administering." The people's governments at various levels and the relevant fishery departments must carry out propaganda and education among the masses and take the lead in observing and conscientiously carrying out the new fishery law. We believe that so long as the broad masses of cadres and people consciously observe the new fishery law, a new situation will surely emerge in our country's fishery production.

IMPROVED MANAGEMENT OF CONTRACTS EMPHASIZED

HK271314 Beijing RENMIN RIBAO in Chinese 21 Jan 86 p 2

[Commentator's article: "Seriously Deal With the Practice of Using Contracts To Carry Out Illegal Activities"]

[Text] The promulgation and enforcement of the law on economic contracts have played a positive role in developing lateral economic relationships, invigorating enterprises, and promoting planned commodity production and circulation. However, some lawbreakers and companies who are not following the correct path use economic contracts to obtain advanced payments, to speculate, and to cheat, seriously infringing upon the estate and assets of the state, enterprises, and individuals, thus undermining the normal order of social economic activities. If they are not promptly dealt with and allowed to continue unchecked, economic structural reform and the four modernizations drive will be hampered.

An economic contract has legal binding force. Signing an economic contract is a legal action. Either side which fails or partially fails to abide by the terms and conditions of the contract will be held responsible under the law for the consequences arising therefrom. Using an economic contract to engage in illegal or criminal activities will result in more serious punishment. Administrative, law enforcement, and judicial departments should do their best to surmount all obstacles and achieve more effective results in examining the practice of using economic contracts for illegal activities.

Administrative leaders in some localities have a poor concept of the legal system and therefore stand in the way of the examination of illegal and criminal cases. Some even view swindlers as the "gods of wealth" and protect them by every possible means, seriously hampering administrative, law enforcement, and judicial work. This has not only delayed the work of handling illegal and criminal cases, but also damaged the sanctity of the law. Those who substitute power for the law and bend the law for the benefit of their relatives and friends must be held responsible for what they do, and discipline must be enforced with them.

It is necessary to seriously examine and deal with illegal and criminal cases, but examination can be inadequate. The state and the people demand that efforts be made to greatly reduce and prevent illegal and criminal cases. Industrial and commercial administrative and managerial organs should strengthen their supervision over economic contracts. All enterprises and institutions, as well as departments in charge of enterprises and institutions, are required to exercise good management over the work concerning economic contracts. They should take effective measures with regard to the signing, implementation, supervision, and arbitration of economic contracts and constantly improve their management work concerning economic contracts.

STATE COUNCIL GREETS DAQING ON OIL OUTPUT

OW280951 Beijing XINHUA Domestic Service in Chinese 0921 GMT 26 Jan 86

[Text] Beijing, 26 Jan (XINHUA) -- The State Council sent a message to the staff and workers of Daqing oil field on 25 January, congratulating them on achieving the goal of maintaining stable output for 10 successive years. The full text of the message reads as follows:

To the Daqing City People's Government and the cadres of all levels, engineering and technical personnel, and comrade workers of the Daqing Petroleum Administrative Bureau, through the Heilongjiang Provincial People's Government:

It is gratifying to hear that Daqing oil field has successfully fulfilled the goal of maintaining a stable output of 50 million metric tons annually for 10 successive years. The State Council extends warm congratulations and cordial greetings to the Daqing City People's Government and the cadres of all levels, engineering and technical personnel, and comrade workers of the Daqing Petroleum Administrative Bureau, who have made outstanding contributions to China's socialist modernization!

The goal of maintaining a stable output for 10 successive years has been achieved at a time when oil extraction has become gradually more difficult due to the need for extraction from sources with a medium or high water content and to big changes underground. Your down-to-earth efforts in production and construction, your courage in scaling new heights in science and technology, and your creative labor have not only earned a great amount of wealth for the state but also enabled the oil field's technique of oil extraction from sources with a high water content to reach the world's advanced standard. This is an important achievement in our socialist economic construction, as well as our scientific and technological development.

Daqing oil field is an advanced enterprise well-known throughout China's socialist modernization for a long time. During the oil field's pioneering period, your hard-working spirit and efforts at self-improvement set a brilliant example for people throughout the country. After the oil field's completion, you persistently performed meritorious services and continued to advance in the frontline of socialist modernization, thereby making the oilfield one of the large industrial enterprises contributing most to the country.

It is hoped that you will guard against arrogance and rashness, work harder, continue to display the fine tradition of making reform and innovations, pay close attention to building socialist material and spiritual civilization, further improve and explore advanced technologies for developing the oil field, step up the enterprise's modern management, and continue to raise economic efficiency in order to make still greater contributions to the country.

[Signed] The State Council, 25 January 1986

CENTRAL COMMISSION LAUDS HARBIN CITY PRACTICES

OW282240 Beijing XINHUA Domestic Service in Chinese 1249 GMT 28 Jan 86

[XINHUA Domestic Service in Chinese at 1248 GMT on 28 January transmits a "public notice" relaying a message from the Office of the Central Commission for Party Rectification, requesting newspapers to publish the following item in a "prominent position."]

[By reporters Ren Yongda and Zhang Chijian]

[Excerpts] Beijing, 28 Jan (XINHUA) -- A note from the Office of the Central Commission for Party Rectification reads: In the course of improving party style, the Harbin City CPC Committee adheres to a principle of being strict and dealing with concrete matters, proceeds from stepping up investigations and studies, and breaks through various resistances. It has investigated and handled a number of important and known cases. It has the courage to deal with leading organs and leading cadres that violate law and discipline and does not spare anyone's sensibilities. It carries investigations through to the end and firmly takes further steps to correct unhealthy tendencies. Its practices are very good and worth recommendation. We should proceed from dealing with concrete cases; this is the way to improve party style and social conduct.

Poor party style and poor social conduct pose a conspicuous problem at present. Comrade Deng Xiaoping sternly pointed out at the National Conference of Party Delegates: "In recent years production has gone up, but the pernicious influence of capitalism and feudalism has not been reduced to a minimum. Instead, some evil things that had long been extinct after liberation have come to life again." Our economic success will lose its significance, and will face the danger of moral degeneration if we fail to undertake construction and enforce law persistently at the same time, if we fail to make great efforts to promote socialist civilization and make the greatest determination to improve party style fundamentally, and if we let poor party style and poor social conduct continue.

Why can't some localities and organizations successfully improve their party style today? A primary reason is that their leading cadres are too bureaucratic. They fail to conduct investigations and study and are unaware of the actual situation. They talk a lot, do very little, and conduct empty talks without performing actual deeds. They are irresolute in handling problems and fail to make quick decisions about some unmistakable cases of law and discipline violations. As a result, unhealthy tendencies and evil practices still cannot be stopped.

Moreover, while some leading cadres are not honest and upright in their ways, they dare not touch on their own problems, and they even shield one another. This is also a reason not to be ignored for the failure to improve party style. In order to improve party style and social conduct fundamentally, one must first resolutely abandon such a bureaucracy and the bad practice of shielding one another. Otherwise, a person will be seriously divorced from the masses and lose his popular trust, and his wrongdoings, if not corrected, will harm the country and the people.

The key to improving party style is to set strict demands and firmly abide by them. Whether the leading organs and the leading cadres have truly overcome bureaucracy and whether they have "first improved themselves before correcting others" should be two important criteria for us to judge whether their attitude is correct and whether their work is solid in the course of improving party style. (End of note)

After readjustment, the new leading body of the Harbin City CPC Committee persists in strictness and in dealing with concrete matters to improve party style. In last 7 months and more, the leading members have proceeded from conducting investigations and studies, broken through resistance, and personally taken a hand in resolutely investigating and handling a number of important cases exposed in the course of party rectification.

In the course of party rectification, Harbin City has successively discovered several dozen serious criminal cases involving evil practices, abuse of power to seek private interests, and severe bureaucracy. However, investigation and handling of the cases proceeded slowly because some cases involved leading cadres and the offenders were protected by "under-the-table relationships." Some persons used reform as an excuse to obstruct the investigation, and the leading bodies of some organizations dared not deal with tough cases.

After the leading body of the Harbin City CPC Committee was readjusted in May 1985, Li Genshen, a deputy secretary of the provincial party committee, became secretary of the city party committee, and Vice Governor Gong Benyan became deputy secretary of the city party committee and mayor of Harbin. The new leading body soon unequivocally pointed out that in order to improve party style, it is essential to be strict and to deal with concrete matters, and it is necessary to make a breakthrough by resolutely investigating and handling typical cases. Then, the secretary of the city party committee personally took a hand in handling cases, the deputy secretary in charge of party rectification work went all out to deal with cases, and the Standing Committee members of the city party committee and vice mayors with party membership took the lead in investigating cases. After a period of thorough investigation, the city soon uncovered the truth about a number of typical cases. Since the beginning of August 1985, the principal leading comrades of the city party committee have openly handled those typical cases on six separate occasions. They have created a tremendous deterrence against persons who pursue evil practices in violation of law and discipline. Of those cadres with party membership who have been subject to party and administrative disciplinary measures, eight hold the post of deputy bureau director or higher. Two bureau-level cadres have been arrested according to law.

TOWNSHIP ENTERPRISES, AGRICULTURE VIEWED

HK221017 Beijing RENMIN RIBAO in Chinese 13 Jan 86 p 5

[Article by Wu Xiang and Sun Fangming: "A Brief Discourse on the Relationship Between Township Enterprises and Agriculture"]

[Text] Our country's rural economy is undergoing a historic reform.

If we say that the implementation of the contract responsibility system on a household basis with payment linked to output was the first step of that great reform, then boosting the restructuring of rural undertakings through abolishing the state monopoly on the purchase of agricultural products and developing township and town enterprises are a vital second step of that great reform, a significant step which must not be understimated. In 1984, the gross output value of township and town enterprises totaled more than 170 billion yuan, accounting for one-sixth of gross industrial and agricultural output value for the year. In 1985, gross output value of these enterprises is expected to reach about 240 billion yuan, accounting for one-fifth of the gross industrial and agricultural output value of the whole country for the year. Taxes paid to the state amounted to 12 billion yuan, over 30 percent more than in 1984, thus becoming an important source of revenue. More importantly, these enterprises have provided jobs for over 60 million peasants.

We cannot deny that the rapid development of township and town enterprises has given rise to some new problems and many new relationships and contradictions. But the sustained development of our township and town enterprises creates conditions for solving these problems and contradictions.

Township and Town Enterprises and Agriculture Promote and Coordinate With Each Other in Their Development

Over the past few years, in the process of development of township and town enterprises in some areas, the phenomena of their occupation of too much farm land, the spread of industrial pollution, the undermining of the ecological environoment for agriculture, the widening of the disparity between incomes of those employed in industry and those engaged in agriculture, the decline of the peasants' initiative in undertaking agriculture, and the worsening in the quality of rural labor caused by the movement of young and strong rural laborers to township and town enterprises have emerged. In the face of these problems, quite a few comrades worry that the development of township and town enterprises will deprive our agriculture of its resources and cause it to shrink. Viewing the situation as a whole, we think there is nothing to justify this worry.

Practice has proven that our township and town enterprises do not develop at the expense of our agriculture, nor is their development preconditioned by peasants' bankruptcies. Their development precisely reflects important characteristics of development in our country's rural industry and tertiary industry. From a historical point of view, in the process of the industrialization in most countries, the division between industry and agriculture is shown in the differences between urban and rural areas; the rise of industry in urban areas is always preconditioned by sacrificing agriculture and expropriating peasants over fairly long historical period. But in our country, the development of our township and town enterprises has alleviated the disparity between industry and agriculture and between urban and rural areas, provided some gradually transitional and multilayer intermediate links for rural society in the transformation of industrialized and modern society, and thus promoted the development of agriculture, raised agricultural productivity and commodity rates, and directly and indirectly increased the peasants' income. The prospect of township and town enterprises and agriculture coexisting and developing in harmony has initially emerged in our macroeconomy.

The relatively rapid growth of township and town enterprises in the past few years is not only founded on the sustained prosperity of our agriculture but also constitutes a sudden expansion of the tremendous productive forces that this foundation cannot contain.

It has in turn promoted the modernization of our agriculture. The tens of million of "peasant workers" who have moved to work in township and town enterprises and the approximately 100 million people whom they have to feed require that our agriculture supply large amounts of grain and other agricultural and sideline products. Our township and town enterprises themselves need an increasingly large amount of agricultural and sideline products as their raw materials. Therefore, fundamentally speaking, the further development of our township and town enterprises needs a correspondingly steady growth and increasingly prosperous agriculture.

In many areas, township and town enterprises already occupy decisive positions in the rural economy. The new rural economic structure to which these enterprises have given rise is established on the basis of the division of labor between various trades and on new mutual relations between various trades. Once these relations have taken shape, it is utterly impossible to return to previous economic structures. Any effort to return to previous structure will only lead to general chaos in our rural economy and society, which may give rise to a variety of problems even more serious and difficult to solve than problems faced through the development of township and town enterprises themselves.

The Most Important Factor Determining the Future of Our Rural Economy

In our economic life, retrogression is hopeless. Our country's rural population accounts for over 80 percent of total population. If we do not change the situation of 800 million peasants engaged in food production, our agriculture, as a foundation, will not be stable. The lesson we learned prior to the 3d Plenary Session of the 11th CPC Central Committee was profound. As we negated the development of rural commodity production and division of labor, we bound our 800 million peasants to the land and caused stagnation in agriculture as a whole. Moreover, as our country's arable land is limited, agricultural labor productivity was low. With 800 million peasants engaged in food production, surplus products were necessarily limited. Even if the urban economy could provide technology, materials, and goods for the transformation of our agricultural production, our peasants lacked sufficient means to pay for technology and goods. Therefore, the input for agricultural modernization was necessarily limited. As we failed to raise the level of our agricultural modernization, our agricultural production was, to a great extent, determined by natural conditions. This in essence meant that we depended on nature for our food supply. Under such circumstances, our agriculture, as a foundation, could never be stable.

In a sense, we can say that precisely because the increasingly pressing shortage of farm land, due to continuous increases in population, made agricultural production very fragile, and because there was no other way to transfer population, areas which developed township and town enterprises relatively early, such as areas in southern Jiangsu, began to develop rural industry and sideline production in order to find a solution. Since township and town enterprises were developed, they have given much support to agriculture in terms of funds, technology, materials and goods, farm machinery, and power supply. The total amount of their contribution to agriculture has been greater than the state's investment in agriculture over the same period. In the sphere of income distribution, the method of "subsidizing agriculture by industry" has been adopted to subsidize the income of agricultural laborers and thus ensure the stable development of agriculture. In these areas, we can say that without development of township and town enterprises, and without support given by these enterprises to agriculture, there would have been an agricultural crisis and the peasants here would have been left in poverty. Restricting and dealing blows to township and town enterprises will inevitably mean restricting and dealing blows to agriculture and finally dealing blows to peasants.

As township and town enterprises have already become a basic condition for the stability of our rural economy, the idea that "there is no stability without agriculture" is, in a sense, transformed into "there is no stability without industry."

The situation in southern Jiangsu and other areas can to a certain extent be regarded as a preview of rural economics in other areas. In other words, the more developed our rural industry and tertiary industry, the more stable our agriculture can finally be. This is a new characteristic of our country's rural economic development at present.

Practice has also proven that if we do not put an end to the system of 800 million peasants in food production, it will be impossible for our peasants to become rich. Over the past few years, there have been quite a few examples of people becoming rich through agriculture in our rural areas; but viewed overall, in order to effect a radical change in our overall rural economic situation and in order to enable our peasants to become rich as soon as possible, it is not enough to rely only on readjusting our internal agricultural structure. In other words, it is not sufficient to place hope only on agricultural development. When 800 million peasants are all engaged in agricultural production, the average per capita income for each peasant cannot be satisfactory and our peasants cannot become very well-off, no matter how advanced the level of production and how large the quantities of products. It is precisely this fact which has enabled our peasants to conclude that "they cannot be rich if they are not engaged in industry." In our country, the development of rural industry and tertiary industry has already enabled a fairly large number of peasants to embark on the path to wealth. The development of rural industry and tertiary industry has also promoted agricultural technological progress, expanded the scale of agriculture, and thus enabled agricultural workers to become rich. This has already been proven by practice.

The situation in Yuanhe Village, Changshu City, Jiangsu provides us with an example. Because of the relatively developed township and town industry and sideline undertaking there, over 98 percent of the laborers have already moved into industrial production; the remaining 2 percent have undertaken contract responsibility for tilling the over 500 mu of land of the whole village (if all the workforce in the village were engaged in agriculture there, the per capita farm land would be only 0.3 mu). Under the relatively fine material conditions provided by township and town enterprises, four small farms have been established. Putting an end to the transitional form of local rural laborers "being engaged simultaneously in both industry and agriculture," a form not very conducive to agricultural development. The expansion of the scale of agricultural operation (on average a laborer tills about 30 mu of land) has produced notable economic results. The income of a laborer engaged in agriculture is over 20 percent more than that of a laborer engaged in industry; his monthly average income is about 180 yuan. Moreover, as township and town enterprises ensure a minimum income for staff and workers of small farms, and as the level of mechanization is heightened, the intensity of work and working hours of an agricultural laborer are not greater than those of an industrial laborer. This has enabled the contingent of agricultural laborers to stabilize. At present, the commodity rate of small farm products in Yuanhe Village is over 98 percent. These farms have begun to break free of their dependence on industrial subsidies. This has not only made it actually possible for people to become rich through agriculture, but, what is more important, it provides an important pattern for the future development of agriculture.

We can say that the development of township and town enterprises, in other words the development of rural industry and tertiary industry, has become the most important factor in determining the future of our rural economy. The idea that "peasants cannot become rich if they are not engaged in industry" will create conditions to "ensure that those who are engaged in agriculture will become rich." This is a new characteristic of our country's rural economic development.

Practice has also proven that if we do not put an end to the situation of 800 million peasants engaged in food production, we will be unable to enliven our rural economy. Under the condition of a uniform structure in our rural economy, there may not be large quantities of surplus rural products, and our agriculture will inevitably be self-sufficient or semi-self-sufficient. Therefore, commodity exchange in rural areas and between urban and rural areas will be very limited. Naturally, there will be little basis for the emergence of large-scale commercial activity. Under these circumstances, our rural economy cannot be enlivened even if there is commercial activity. The economic history of our country's prolonged feudal society is precisely the history of this long-standing situation. Ours is a country where commercial activity emerged relatively early, but as the division of labor on a social scale and the specialization of various industries was underdeveloped, our commercial activity could only be established on the basis of limited quantities of surplus agricultural products, and thus become economic activities with clear consumption characteristics. Without sustained expanded reproduction and without the development of a commodity economy, it is impossible to maintain commercial prosperity for a long period. As a result, our commerce could only fluctuate in a cyclical manner in response to changes in the supply of surplus agricultural products.

Modern commerce prospers on the basis of the division of labor between various trades on a social scale. It is a major means for the realization of consumption and becomes a condition for the realization of social reproduction and expanded reproduction. In other words, only on the basis of modern division of labor between various trades can commercial activities and circulation in our market play a positive role in stimulating production and coordinating the organization of production. Only on this basis can the idea that "we cannot enliven our economy without commerce" really be a law.

Provide Our Agriculture With a Large and Steadily Expanding Market

The division of labor between various trades on the scale of our rural areas and the rapid development of township and town enterprises have, first, caused tremendous changes in the modes of production and exchange in the sphere of rural economy. Second, they have changed the basic structure of the economic relations between our urban and rural areas. Third, as a large amount of labor has moved to sectors other than agriculture, a change in the mode and nature of consumption has emerged. All these changes will inevitably cause a sharp increase in the turnover of commodities and the development of commercial activities.

An analysis of the impact of the transfer of a large number of people into the commercial circulation sector can explain this question. The hundreds and thousands of employees in our township and town enterprises gradually obtain all the grain, foodstuffs, and vegetables they need from the market, instead of producing these foods themselves. However, in a traditional rural economy, all these products are part of self-sufficient production, are not included in the commodity production of agriculture, and are seldom exchanged. This is now not the case; for this portion of products has already been transformed into commodities within our agricultural sector. The more developed our township and town enterprises, the larger the number of people transferring into these enterprises, and the more stable the enterprise system, the larger the quantities of agricultural products transformed into commodities in this form.

If the staff and workers of our township and town enterprises had been forced to remain in the agricultural sector, then the level of the potentially surplus population engaged in agriculture would be much higher. This population exceeding requirements for agricultural reproduction does not constitute a factor of reproduction; therefore, their consumption of grain and other agricultural products appears as "negative consumption" -- consumption merely for the purpose of maintaining survival, a heavy burden on the reproduction of agriculture itself. On the other hand, once this portion of grain and agricultural products is transferred to the consumption of the staff and workers of our township and town enterprises, it changes into a factor of reproduction and expanded reproduction in rural industry and tertiary industry, and appears as "positive consumption" -- consumption of a productive nature. Obviously, these two situations provide completely different foundations and raise completely different requirements for commercial circulation. Under self-sufficient or semi-self-sufficient agriculture, commercial circulation is necessarily traditional and low-level; while under the situation of rural large-scale division of labor among various trades, commercial circulation necessarily is increasingly lively. It has not only acquired a material foundation for its continuous growth, but has in turn become an important condition for maintaining the normal operation of our economy and achieving economic development.

It goes without saying that in our rural economy, the township and town enterprises represent a new production mode and productive force, and are the most lively factor in our rural economy. It is precisely the situation of rural industry and tertiary industry developing simultaneously with agriculture which has created conditions for the sustained prosperity of our commerce. This is another new characteristic of the development of our country's rural economy.

Various Aspects of Help and Support Should Be Given to Township and Town Enterprises

To summarize the impact of sustained development of township and town enterprises on our agriculture has three aspects: First, our country is short of farmland for its huge population. The average scale of agricultural production is small. Under the restrictions of this small scale, it is impossible for the level of agricultural commercialization, the level of agricultural modernization, and the level of peasants' income to be high. However, our township and town enterprises have absorbed a large portion of rural labor and population and thus provided a real possibility for expansion of the scale of agricultural operations. Second, the technological foundation for our country's agricultural modernization is weak, but, through various forms of "subsidizing agriculture by industry," our township and town enterprises are changing this situation. Third, in the process of the transformation from a self-sufficient or semi-self-sufficient traditional agriculture to a modern commodity agriculture in our country, our township and town enterprises provide our agriculture with a steadily growing market of a huge size, providing an important impetus to this transformation.

We can be assured that as our township and town enterprises develop, our agriculture not only will not shrink, but, on the contrary, will be strengthened and enabled to quickly develop toward modernization. Of course, the necessary work of guidance, planning, and coordination will become even more important.

A new thing with vitality can always withstand the test of practice. A conscientious review shows that over the past few years, our township and town enterprises have already made great progress in improving the quality of their administration and management, developing their technology and products, opening up their markets, and exploiting intellectual resources. We are justified in believing that future progress in these areas will be even greater. On the other hand, nothing new can be perfect in its initial stage.

We should help and support it and thus enable it to grow healthy and strong. For example, the "sparks plan" that the State Scientific and Technological Commission has drawn up to strengthen the input of applied technology to our township and town enterprises is precisely a plan to give them the support and help they most urgently need. We are sure that a "sparks plan" is much more beneficial and wiser than fault-finding criticisms. It serves as a good beginning for state operational departments to correct their service attitude, change their work methods, and transform their work style.

MACROECONOMIC REGULATION SYSTEM DISCUSSED

HK230837 Beijing GUANGMING RIBAO in Chinese 11 Jan 86 p 3

[Article by Zhang Zhenbin: "A Tentative Discussion on the Macroeconomic Regulation System"]

[Text] Human regulation of social economic life can be divided into two basic categories: macroeconomic and microeconomic regulation. These two types of regulations require the interaction and mutual coordination of numerous forms, levers, and methods of regulation. Hence, there are macroeconomic and microeconomic regulation systems functioning in social economic life. In this article I would like to discuss my views on the macroeconomic regulation system.

The Choice of the Forms of Regulation

Economic regulatory forms are the core of the macroeconomic regulation system and a substantial element principally deciding general characteristics and functions of the macroeconomic regulation system. The forms of regulation discussed here mean the basic pattern by which people regulate social economic life, and they are the principal part of the macroeconomic regulation system. In regulating the movement of social economic life on a macroeconomic basis, it is first necessary to choose an effective form of regulation.

Regarding the choice of the forms of regulation, there are two trends in the present-day world. In the West, capitalist countries are transforming the traditional unitary form of regulation by market mechanisms and applying regulation by planning to a certain extent in an attempt to seek a new way out of regulating the macroeconomy through combination of these two regulatory forms. However, the nature of the capitalist system determines that it is impossible to effectively carry out regulation by planning in a capitalist society. In the East, socialist countries are transforming the traditional unitary form of regulation by planning and applying regulation by market mechanisms to varying degrees in the hope of coordinating and controlling the overall movement of social economic life in a more effective and flexible way through the combination of the two regulatory forms. Hence, there are two waves of transformation engaged in a trial of strength. Our task is to make a socialist choice about the combination of planning and the market. In other words, we must base ourselves on the basic principle of a planned commodity economy and seek the optimum combination of regulation by planning and regulation by market mechanisms.

If we study the forms of regulation as a subsystem of the macroeconomic regulation system, we will understand that the structural relationship between regulation by planning and regulation by market mechanisms, which forms the subsystem, is a relationship in which the component parts of an entity are interrelated and interact with each other. That is to say, applying regulation by planning to the macroeconomy according to social demand does not necessarily mean excluding the role of the market, for regulation by planning can be realized through the role of the market.

For example, one of the important aspects of macroeconomic regulation is to regulate the proportionate relationship between accumulation and consumption. When controlling the scope of overall social accumulation and consumption, we cannot divorce ourselves from the market, because, and this is particularly important, a considerable portion of consumption for everyday life in the socialist economy is related to the market. Similarly, the regulation by market mechanisms in the macroeconomy cannot totally exclude control and guidance by planning. The socialist market is a market existing in the socialist planned economy rather than a free market characterized by capitalist blind competition. Therefore, market in all fields of endeavor should be put under the supervision and guidance of regulation by planning and regulation by market mechanisms, the two are interrelated and interact with each other. Hence, a complete regulatory form is achieved. This is a very complicated formation. It is very difficult to strictly differentiate the two types of regulation from each other. In the regulatory form that combines regulation by planning with regulation by market mechanisms, exclusive regulation by planning or regulation by market mechanisms is nonexistent under any circumstances. What does exist is complicated combinations on different scales and to different degrees. It is precisely such combinations that function as an integral whole in the macroeconomic regulation system.

The Application of Regulatory Levers

In the course of regulating the macroeconomy, after an appropriate economic regulatory form is chosen, it is necessary to define effective economic regulatory levers, which are an important, indispensable component of the macroeconomic regulation system and the core of the system.

In a planned commodity economy, pricing, banking, and financial levers are central in regard to macroeconomic regulation. However, the roles various regulatory levels play in regulating the movement of social economic life are mutually restrictive and interact with each other. Therefore, we should make a thorough analysis of the structural relations of various regulatory levers rather than confining our understanding of them to just bringing to light the rules governing them so that we can use these regulatory levers in a comprehensive way.

By logical analysis, the movement of the structural relations of these regulatory levers will result in a logical integral functioning manifested in the amplification of their effect or their comprehensive amplified effect. In other words, the effect resulting from the interrelation and interaction of these regulatory levers will be greater than the effect of the movement of a single regulatory lever. For example, when using pricing levers to regulate the macroeconomy, we should adopt flexible measures in light of the realities in the current social economic life rather than considering problems exclusively from the angle of the price lever itself. This is, in fact, a problem of how to adapt the pricing system to realities in social economic life. Another example is that when using banking levers to control monetary supplies, instead of sticking to the growth rate of a stable money supply as advocated by Western monetarist theory, we should control money supplies in a flexible and elastic way in light of the changed conditions in the movement of economic life. Therefore, how the various regulatory levers of macroeconomic regulation function depends on how economic life reacts to them or partly on the congruity of economic life and the role of regulatory levers, manifested mainly in whether or not regulatory levers play a role in keeping economic life moving normally and overcoming abnormal elements and partly on the degree of economic life's reaction to regulatory levers. It must also be noticed that the role of any regulatory lever is not onesided, and it may have side effects. In harmonizing the movement of economic life an the objectives of man's regulatory efforts, a regulatory lever may have a contrary or different effect than intended.

For this reason, in using regulatory levers we should weigh the pros and cons and try as far as possible to apply them appropriately in the right places so that they can have maximum results commensurate with expected ones in keeping the social economic life moving normally. In addition, the role of various regulatory levers itself is in a process of development in which their regulatory effects are constantly changing. China's present pricing system reform is essentially aimed at changing the functions of pricing levers. In the final analysis, the reform in the banking and financial sectors is a question of a transformation of the functions of levers. In the course of numerous reforms, regulatory levers will inevitably lose some of their old functions; meanwhile, they will take on some new functions.

The Differentiation of the Facets of Regulation

The movement of social economic life is the reflection of the intersection and convergence of the different facets of economic life. In macroeconomic regulation, the form of regulation and the role of regulatory levers should be materialized in all facets of social economic life. Macroeconomic regulation is multi-dimensional, stereoscopic regulation rather than linear, plane regulation. It should be materialized in every facet of social economic life. Thus, given the macroeconomic regulation system as a whole, it is a multi-faceted, stereoscopic structure. In a planned commodity economy, macroeconomic regulation is implemented mainly in the five facets of enterprises, cities, regions, the state, and foreign economic activities.

Enterprises are the first facet of the macroeconomic regulation system. Strengthening macroeconomic regulation should be based on microeconomic invigoration. Without microeconomic invigoration, macroeconomic regulation will certainly not work. The centerpiece of China's economic structural reform is invigoration of enterprises. This strategic policy decision is of great significance in strengthening the macroeconomy.

Cities are an intermediate facet of the macroeconomic regulation system. As huge and intricate systems engineering, macroeconomic regulation involves different links and facets of social economic life. To effectively implement macroeconomic regulation, it is very necessary to locate some important fulcrums in the national economy so as to properly coordinate macroeconomic regulations and microeconomic activities. The central role of cities lies in the fact that cities can serve as a link connecting macroeconomic regulation and microeconomic activities under the macroeconomic regulation system. The key objective of the urban economic structural reform is to enable cities to give full play to their functions in regulating the macroeconomy.

The macroeconomic regulation system should not only locate some solid fulcrums in the national economy, but should establish a network among the fulcrums so that relatively independent areas fanning out from and covered by these fulcrums can be formed. This means that the important role of regions in regulating the macroeconomy should be brought into full play. Particularly so is the case with a big country like ours where the development of the productive forces is uneven from region on region. Bringing into full play the economic role of regions in regulating the macroeconomy refers mainly to controlling and coordinating the social economic life of some regions by transcending cities and on the basis of the objective development of the national economy.

The state is the leading facet of the macroeconomic regulation system. This is because the main executive of macroeconomic regulation is the state as a socialist principal economic entity. As an economic entity, the state can thoroughly understand the overall situation of the national economy and regulate the economic relations in various fields of endeavor in a systematic, rhythmic, and flexible way.

However, from the viewpoint of macroeconomic regulation, the state must carry out overall economic regulation by transcending enterprises, cities, and regions rather than directly interfering in the production and operational activities of enterprises and in the intermediate facets of economic regulation of cities and regions. This will make it possible to harmonize the smooth development of the macroeconomy as a whole.

In addition, macroeconomic regulation should be geared to the needs of the world and the world commodity economy. This is an important strategic principle which we should follow in working out a macroeconomic regulation system in the course of economic structural reform and is also a peripheral facet of the system.

What has been mentioned above is the basic situation of the macroeconomic regulation system in the planned commodity economy. While restructuring the economy, we must steadily perfect the macroeconomic regulation system.

OWNERSHIP ROLES, OPERATION POWER CONSIDERED

HK210905 Beijing GUANGMING RIBAO in Chinese 11 Jan 86 p 3

[Article by Liu Fuyuan: "Relative Division Means Partial Separation of Management From Ownership"]

[Text] The CPC Central Committee's decision on reform of the economic structure points out: "Ownership can be duly separated from the power of operation." Here, "due separation" includes two concepts -- separation and being appropriate. "Being appropriate" is a concept of degree. Some comrades substitute "relative division" for "due separation," and this is not wrong. However, we should not regard "due separation" or "relative division" as something equal to "separation" and "division," because the connotations of "due separation" are much richer than those of "separation" or "division."

Relative division or due separation is not the same thing as complete division or complete separation. That is to say, the ownership of the means of production is somewhat rather than completely separated from the functions of the means of production in the course of reproduction. In other words, the ownership of the means of production is somewhat rather than completely separated from operation and management in the course of actual reproduction. Because any specific form of operation must be a concrete demonstration of some specific ownership relations, the separation of the power of operation from ownerhsip must be limited to an appropriate degree and must be relative in order to ensure the character of the specific ownership form which is demonstrated by the form of operation and management. If the power of operation is completely separated from ownership, ownership will only be demonstrated in the form of rent or interest. Land rent represents land ownership, and interest represents the ownership of funds and capital. However, land rent and interest cannot demonstrate the socialist character of our state-owned enterprises. In France, 98 percent of the capital of the electricity industry is owned by the French Government, but as the power of operation is completely separated from ownership, the ownership character of the enterprise has been completely changed. The enterprise cannot be regarded as a state-owned enterprise. It can only be regarded as an enterprise using capital provided by the state. Such separation of the power of operation from ownership is quite common in capitalist countries.

If land and funds owned by everyone in our country are transferred to enterprises in the forms of lease and credit, and the enterprises, whether they are operated by collectives or individuals, can do business on a completely independent basis, then, nothing can guarantee the form of their operation.

In recent years, since land was contracted to individuals and enterprises were operated by individuals on a contract basis in rural areas, the operational form of hiring labor has become quite common in all parts of the country. This is an inevitable result of the complete separation of ownership from the power of operation. Although enterprises which hire labor use the land and funds of the collectives or the state on a lease or credit basis, it is hard to maintain the original character of ownership, because the state or collective ownership can only be realized through rent and interest. So those enterprises are no longer socialist enterprises owned by the whole people or owned by collectives.

In our socialist state-owned economy and in the relationship between the state and enterprises, the relative nature of the separation of ownership from the power of operation guarantees the socialist character of the enterprises' operations. Although some powers of operation have been decentralized, no fundamental changes have been made in the form of production and operation. The enterprises have been given some power indirectly handling their business, but their operation power is not complete. Their operation is relatively independent but is not yet completely independent. So, this is a dual operation system. The state merely delegates part of the operation power to enterprises, so the decisionmaking mechanism of the enterprises is also of a dual character. The proportion of this double decisionmaking process should be determined by the degree of the enterprise production's socialization. In such enterprises as the railways, whose operation is highly socialized, its operation must be directly handled by the state; in some enterprises where the degree of socialization is low, that part of operation in these enterprises can be completely separated from state ownership. Thus, these enterprises will no longer be part of the state-owned economy. The above cases are the two extremes. For most enterprises, the decisionmaking mechanism can be divided into two parts in different proportions. Leaving part of enterprise operational power in the hands of the state will guarantee the state-owned character of these enterprises. The purpose of giving part of the direct operating power to enterprises is to solve the contradiction between the low degree of productive forces and socialization and the ownership of entire society and to acknowledge the unequal work abilities of enterprise workers as their natural rights.

Under the dual operation system, the distribution mechanism for enterprises is also of a dual characters. Not only do the enterprises have to bear responsibility for their profits and losses, but the state is also responsible for their profits and losses. The planning mechanism of the national economy must be based on the state's overall responsibility for enterprise profits and losses. If ownership is completely separated from the power of operation and if the distribution mechanism is of a single character, the planned economy will not be able to exist. If the state can manage the enterprises only through legal means or through such macroeconomic levers as credit and monetary policies, then our enterprise management will become the same type as that in capitalist countries. Under the conditions of a commodity economy, the nature of the planned economy is ensured through the planned distribution of profits in all economic sectors and enterprises. That is, a considerable part of the power to decide enterprises' reproduction should remain in the hands of the state. This marks the basic difference between a planned economy and a market economy. In recent years, we have not been able to lower the scale of capital investment throughout the whole country. A basic reason for this is the fact that under the present financial quota system, the central authorities have no effective instrument to control the reproduction of localities and enterprises. Sun Yefang did not agree to surrender any power of reproduction to enterprises. His opinion sounded a bit too absolute. But if the power of reproduction is completely delegated to enterprises, that would also be too absolute. This absolute approach to decentralization will simply remove the foundation for a planned economy and remove all guarantees for the state-owned character of enterprises.

Therefore, the relative division of ownership and the power of operation or the due separation of ownership from the power of operation means a partial separation of operational power from ownership and a division of operation power between the state and the enterprise. This division may lead to the division of the earnings. This division is thus in essence a division of enterprise ownership. The state will continue to exercise part of its ownership over the enterprises rather than merely over their funds. The state will not move out of the production process like moneyed capitalists who live on interest income.

INDIRECT, DIRECT CONTROL OF ENTERPRISES EXPLAINED

HK290427 Beijing GUANGMING RIBAO in Chinese 18 Jan 86 p 3

[Article by Huang Taiyan: "Basic Conditions for Establishing Indirect Control" -- capitalized passages published in boldface]

[Text] Indirect control refers to efforts on the part of the state to influence, mainly by economic means and through market mechanisms, the consequences of enterprise operation in order to prevent, given that the enterprises are allowed to operate independently and that decision-making power is decentralized, them from operating beyond state control. On the whole, state control of enterprises will change from direct control to indirect control. This essentially means that operation of enterprises will be controlled through the fulfillment of various targets. In this way, enterprises will be full of vitality and not confusion.

Indirect control necessarily involves relations between the state, the market, and the enterprises and will give rise to a control chain between them, whereby the state controls the market and the market controls the enterprises. Given such a control chain, the state will be the controller, the market will be the medium, and the enterprises will be the controlled. The market as a medium will have a double identity. On the one hand, the state is its controller. However, on the other hand, it is the controller of the enterprises. Given the above relations, the question of whether or not the state can effectively exercise indirect control of enterprise operations will depend on the following factors:

THE DEGREE TO WHICH THE MARKET IS CONTROLLED. The degree to which the market is controlled is inversely proportional to the extent to which market trends and changes are spontaneous and unguided. However, it is directly proportional to the effectiveness with which the state indirectly controls the enterprises. The degree to which the market is controlled is mainly determined by the profoundity of the state's understanding of the laws governing market trends and by the thoroughness with which the state applies economic means. Thus, we will be required to reform, in accordance with the requirements of our socialist planned commodity economy, those irrational and outdated financial management systems and bank management systems and to perfect and strengthen those means by which we supervise and control taxation, credit, currency, and prices.

THE STATE OF MARKET MECHANISMS. As an intermediate link between the state and enterprises, market mechanisms will directly affect the effectiveness of the indirect control exercised by the state. The state of the market mechanisms refers mainly to two things: First, the degree to which a market system has been established and perfected. The presence of a defective key elements market [yao su shi chang -- 6008 4790 1579 1034] and a defective product market can prevent the market mechanisms from guiding the enterprises. On the other hand, the absence of a capital market, a labor market, and a technology market can prevent the enterprises from expanding or curtailing production according to market information and hinder the state from indirect control of enterprises.

Second, the degree to which the key elements of the market mechanisms have been perfected. The distortion of even a few of these elements can lead to less effective indirect control. For example, the distortion of China's price mechanisms has brought the fall of prices in accurately reflecting supply and demand trends. Thus, high-price products were not necessarily in great demand in society. However, in their own economic interest, the enterprises prefer producing high-price products in order to make large profits, with the result that their operation easily deviates from the goal of state control and the state has great difficulty controlling them. In order to raise the efficiency of indirect control, it is necessary to establish and perfect a system of market mechanisms and to correct certain mistakes.

THE DEGREE TO WHICH THE ENTERPRISES RELY ON THE MARKET. Only by relying mainly on the market and focusing their attention on it can enterprises positively react to even the slightest market changes. If enterprises fail to react positively to market changes, indirect control is bound to fail. In order to make enterprises rely mainly on the market, it is necessary to satisfactorily solve the following problems: 1) Make the enterprises truly relatively independent producers and operators of commodity production; give the enterprises the power of operation they are entitled to; and put an end to the practice of higher level organs meddling with the enterprises' microeconomic activities for the sake of their own interests. 2) Gradually make the market the main supplier of those important materials and goods necessary for normal production in the enterprises and make enterprises sell their products on the market in order to directly influence the latter's economic benefits. 3) Dignify the status of factory directors (managers), tie their benefits to the performance of the enterprises, and allow enterprise leaders material benefits different from those of the workers. Thus, in the event of a conflict of interest, these factory directors will stand up for the enterprises' interests and ensure their survival and development. 4) Be harsh with budgets in order to prevent the enterprises from not showing concern for their own performance and from seeking help and protection from above in the event of poor performance. and 5) Formulate bankruptcy law and reform the social security system.

SUCCESSFUL START TO SEVENTH 5-YEAR PLAN URGED

HK280911 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Jan 86 p 2

[Editorial: "Take the First Step in Fulfilling the Seventh 5-Year Plan in a Down-to-Earth Manner"]

[Text] The year 1986 is the first year of the Seventh 5-Year Plan. Great success can be achieved only with a good beginning. At the beginning of the new 5-Year Plan, we must, in accordance with the spirit of seeking truth from facts and advancing steadily, take the first step in down-to-earth manner.

Generally speaking, China's current economic situation is excellent. The implementation of the Sixth 5-Year Plan has been better than expected. Headway has been made in production and construction. The people's living standards have improved remarkably. The situation of the national economy is characterized by a sustained, steady, and coordinated development. Thanks to the urban and rural economic reforms carried out over the years, China's economy is now full of vigor and vitality, the masses have further manifested their initiative and creativity for socialism, and people throughout the country are confident of economic revitalization in the nineties. Naturally, we must also be aware that the unstable factors in the course of China's economic development are not yet thoroughly eliminated. Viewed comprehensively, the main problem is that social demand exceeds supply. It is wrong to put undue stress on the matter; however, if we underestimate it, treat it lightly, and allow it to develop unchecked, it will cause disorder in economic life, thus undermining smooth implementation of the Seventh 5-Year Plan.

In order to develop the national economy in a steady and coordinated manner, it is necessary to further rectify economic relations in all fields. At present it is of particularly great significance to reasonably control social demands, eliminate excessive distribution of the national income, curtail the overextended scale of investment in fixed assets, control the unchecked growth of consumption funds, and strive to maintain a balance of social supply and demand. The heart of the question is to control the scale of investments in fixed assets; the key to the solution lies in readjusting the irrational investment structure. The current structure of investment in fixed assets is irrational, as indicated by the following: Of total investment, the proportion of basic facilities and industries such as energy, communications, and raw materials is too low, while the proportion of nonproductive projects is too high. If we cannot put an end to such a state of affairs, it will become a hidden peril for our future economic development.

The key to maintaining the balance of social demand and supply lies in strengthening macrocontrol and organically combining macrocontrol with microflexibility. On the one hand, we must check the overextended demand, and on the other, we must adopt measures to improve supply. In light of different circumstances, tightening measures should be adopted and due support should be given as appropriate. Only in this way can we avoid imposing uniformity on all cases in our economic work and prevent unnecessary losses. While stabilizing the economic situation, the purpose of strengthening macrocontrol is to further invigorate the economy, rather than impairing vitality acquired through reform of the economic structure. Therefore, it is extremely important to establish an effective macromanagement mechanism through which we may ensure that economic vitality stimulated after simplifying administrative procedures and delegating power will advance on a track conforming to the interests of the whole. We have suffered a good deal from the dull and sluggish situation in the past. While laying stress on macrocontrol, we must particularly bear in mind historical experiences and lessons and take note of protecting the vitality of economic development.

For years many comrades have considered that economic development could be promoted only by expanding the scale of capital construction. This is a one-sided view and also the ideological root leading to the expansion of capital construction on repeated occasions. At present we must concentrate our efforts and pay special attention to the expansion of intensive reproduction, that is, gradually rectify the economic relations in various fields and, on the existing basis, tap latent economic potential. Only by doing a good job in this respect can we attain better economic results in society as a whole and promote the sustained, steady, and coordinated development of the national economy.

Straightening out economic relations is a rather complicated matter covering a wide area. In this respect, we must insist on carrying out the reform of the economic structure. The CPC Central Committee has already set the direction and road for the reform of the economic structure. So long as we put them into practice, it will be possible to further straighten out economic relations. Naturally, the steps, methods, and concrete arrangements should be made in line with local conditions so as to strive for further reliability. While carrying out the reform of economic structure during the Seventh 5-Year Plan, we must pay special attention to the following: The reform should correspond to the target of economic and social development; the extent of microflexibility should be suited to the extent of macromanagement; the reforms of planning, pricing, taxation, finance, and labor and wages should be coordinated; and experiments must be conducted for all major reforms and then be spread gradually after drawing experience. A big step was taken in the reform of the economic structure in 1985. The task for 1986 is consolidation, assimilation, supplementation, improvement, and preparations for taking bigger steps in future reforms.

In a word, gradually rectifying our economy through reforms and ensuring the sustained, steady, and coordinated development of the national economy have an important bearing on the smooth implementation of the Seventh 5-Year Plan. On the occasion of the beginning of the Seventh 5-Year Plan, we must straighten our our thinking. While handling the relation between speed and results, we must stress results. While handling the relation between need and possibility, we should take objective possibility into account. While dealing with partial and general interests, we should give more consideration to general interests. While making an analysis of the economic situation, we should be aware of favorable conditions as well as unfavorable conditions and should always bear in mind the principle of "seeking truth from facts and acting according to our ability." With a correct guiding ideology and the first step taken in a down-to-earth manner, the Seventh 5-Year Plan will certainly be realized so long as we continue to follow the principles and policies of the CPC Central Committee.

OPEN LATERAL ECONOMIC NETWORK TAKES SHAPE

HK230723 Beijing ZHONGGUO XINWEN SHE in Chinese 0802 GMT 19 Jan 86

[Roundup by reporter Xu Hong: "A Lateral, Open Economic Network Has Taken Shape in China"]

[Text] Beijing, 19 Jan (ZHONGGUO XINWEN SHE) -- A lateral, open economic network is gradually taking shape on the Chinese mainland. This will further emancipate its urban and rural social productive forces. Data provided by the national economic work conference, currently being held here, shows that from January to October 1985, the value of technological cooperation carried out through the new economic network was 6 billion yuan, that of cooperation related to materials and goods exceeded 10 billion yuan, and 50,000 talented people were exchanged through the network.

Authoritative people in Chinese economic circles speak highly of this new development and hold that it has broken the old pattern characterized by separation between upper and lower levels and between departments and areas. They say: "In a sense, this is an achievement at least as great as opening up to the outside world and is conducive to doing so." This new lateral, open economic network consists mainly of the following three parts:

-- Six large open areas of loose economic and technological cooperation have been formed, namely, the northeast, northwest, north China, central-south, southwest, and east China. These areas have been formed in accordance with geographical location and economic realtions naturally taking shape in history. They are formed on the basis of voluntary participation, equality, and mutual benefit. They mainly study strategic goals and actual projects for jointly developing the areas. For example, in the northeast, 32 trunk highways have been linked through the network, and joint ventures in producing and supplying each other with coal, steel, cement, timber, and other materials and goods have begun.

-- Economic combines with cities as their centers have been formed. For example, in the Jiangsu-Shandong-Henan-Anhui border area, a Huaihai economic zone has been formed with Xuzhou City as its center. In central Liaoning, a network of cities has been established with Shengyang as its center. Nanjing, Zhenjiang, Yangzhou, and Nantong have formed a belt-shaped city group linked by the Chang Jiang, as have Suzhou, Wuxi, and Changzhou, linked by the Shanghai-Nanjing Railway. They exploit the advantages of cities in the groups to carry out a wide range of cooperation in the spheres of economics, technology, personnel, funds, resources, foreign trade, and exports, and thus motivate one another to become prosperous and develop together.

-- Enterprise consortiums or groups of various forms and tiers have been formed. Some of thse groups are formed to jointly produce quality products; others are groups formed by inviting tenders to produce parts; still others are combines formed by production units, scientific research institutes, and colleges; and yet others are combines to deal in and market products. These are new "trusts" formed among different provinces, areas, departments, trades, and units under various types of ownership.

Premier Zhao Ziyang spoke highly of these lateral economic combines. He said that they were comparatively rational in exploiting resources, employing funds, and arranging the productive forces, that their economic results were generally satisfactory, and that they meet the demands of the society and have great prospects for development. The relevant departments have already made decisions to vigorously promote this lateral economic cooperation in this year, formulate policies to support it and protect it by laws.

OFFICIAL ON USING FOREIGN LOANS FOR DEVELOPMENT

HK271027 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 3, 20 Jan 86 p 6

[Interview by LIAOWANG reporter: "Tang Gengyao, director of the State Foreign Exchange Control Administration, Talks About China's Policies for Contracting Foreign Commercial Loans"]

[Text] Under the premise of mainly relying on our own resources and efforts, actively making use of foreign funds to promote our modernization process in various forms is one of China's long-term economic policies. Recently, this reporter interviewed Tang Gengyao, director of the State Foreign Exchange Control Administration, and asked him about China's practice in directly contracting foreign commercial loans in recent years.

Question: Could you please tell me about China's practice in contracting foreign commercial loans in recent years?

Answer: Foreign commercial loans constitute one of the sources of funds for our economic construction in the period of the Seventh 5-Year Plan. With the development of our economic reforms and the improvement of the investment environment in our country, our domestic enterprises have achieved more decision-making power to conduct foreign economic cooperation and ahve raised their capacity to absorb and digest foreign funds. In particular, since the 14 coastal cities were opened, the whole country has further advanced the work of attracting foreign investment and making use of foreign funds. Apart from direct foreign investments in China and loans offered by foreign governments and international monetary organizations, many of our banking and finance institutions have directly contracted commercial credits from abroad in various forms, including the issuance of bonds overseas. In the past year, China's institutions issued seven types of bonds on international money and capital markets in Tokyo, Frankfurt, and Hong Kong, thus raising a total of more than $600 million of funds. At present, foreign commercial loans will comprise a greater proportion of the foreign funds we use.

Question: Will China include the money obtained from foreign commercial loans in its state plans? How will the state control such loans?

Answer: If an enterprise contracts commercial loans from abroad, it will have to bear direct responsibility itself for repaying the loans on time. These loans often bear high interest and are short-term. The creditors generally do not care what the loan is used for and do not undertake any of the risk of projects financed by these loans. Some developing countries have encountered serious difficulties as they did not control the contracting of foreign commercial loans and owed too high a debt to foreign countries.

This has even led to debt crisis in some of these countries. Therefore, in China, all foreign commercial loans contracted by enterprises must be included in the state's plans for making use of foreign funds.

The state's control over the contracting of foreign commercial loans will be exercised mainly through the following two measures: First, the principle of centralist management over foreign funds will be implemented. The State Council has authorized the People's Bank of China to examine and approve all plans to contract foreign loans and to issue bonds in overseas areas. This will prevent such loan-contracting activities getting out of control, and will ensure effective management over these loans. Second, the gross scale of foreign loans will be brought under control in light of both needs and possibilities. The needs refer to that part of funds needed in the development of our national economy but which cannot be raised at home, so we need to borrow money from abroad. The so-called possibilities refer to our payment capacity or solvency. In short, the general scale of our foreign debt is not only determined by the need for funds in our economic construction, but must also be in line with the country's payment capacity.

Question: How will the foreign exchange management department help the enterprises reasonably use means of commercial credit to raise funds and ensure the payment of foreign debts on time?

Answer: As a foreign exchange control department of the state, we are responsible for ensuring that the money we borrow from abroad will be used in state priority projects and will be used to develop production and meet the needs of investment. This foreign money must not be used to import consumer goods. Whether the debtor enterprises can reasonably make use of foreign commercial credits and repay debts on time depends mainly on the selection of their investment projects. Therefore, the state has laid down some strict demands for units planning to contract foreign loans: First, they must submit reports on the feasibility studies, which should include the assessment of the projects' economic results and their ability to earn foreign exchange; second, the investment projects must be included in the state's capital construction plan and fixed assets investment plan; third, renminbi funds for the projects must be first guaranteed; and fourth, they must draw up plans for using and repaying foreign loans. All these documents will be carefully examined by the foreign exchange control department before they are submitted to the People's Bank of China for final approval. So, in general, we can ensure that the commercial loans approved by the state authorities will be rationally used and repaid on time.

Question: What units have the right to act as guarantors for foreign commercial loans?

Answer: According to the existing regulations, the institutions which have the right to act as guarantors for foreign loans are mainly the Bank of China, the China International Trust and Investment Company, and other banking and finance institutions authorized by the State Foreign Exchange Control Administration has authorized more than 30 central and provincial banking and finance institutions to offer guarantees for foreign loans. These authorized institutions have a considerable sum of foreign currency capital, a rather sound financial system, and experience in handling international banking business. They have access to many sources of funds and have many channels for using funds. So we maintain that guarantees for foreign loans are better offered by these banking institutions. If non-banking institutions are to offer foreign currency guarantees, they must have a capacity to earn foreign exchange and must have a certain sum of foreign currency funds at their own disposal. At the same time, they must also be approved by the state authorities before they can offer guarantees.

Question: How do you see the prospect for China's raising of international credits?

Answer: Making use of foreign funds is China's long-term economic policy. China is still a developing country with limited economic strength and insufficient foreign exchange reserves. In our country, per capita national income remains at a low level, and the people's savings rate is also modest. It is obvious that our domestic accumulated funds cannot meet all the needs of our economic construction. The deficiencies will be made up by the introduction of foreign funds. So contracting international commercial loans will be the main way for us to make use of foreign funds. In the future, if there are commercial credits provided on favorable terms in international money markets, I believe that Chinese enterprises will be positive in considering the utilization of funds from these sources.

LACK OF CONFIDENCE AMONG YOUTH EXAMINED

HK271520 Beijing ZHONGGUO QINGNIAN BAO in Chinese 17 Jan 86 p 1

[Commentator's article: "We Should Be Full of Confidence"]

[Text] Some young friends sometimes lack confidence in bringing about a fundamental turn for the better in party style and the general mood of society. We can gain a good deal of enlightenment from the CPC Central Committee's important policy that the rectification of party style should start with the party, government, and Army organs at the central level and Beijing.

Why do some young people lack confidence? There are many reasons. However, the main reason is that they have one-sided views on appraising the status of party style and assessing the healthy factors in the party. If we seriously study the speeches by several leading comrades of the central authorities at the meeting of central organ cadres and calmly think about the great changes in the economic and political situation since the 3d Plenary Session of 11th CPC Central Committee, we will find it easy to understand this: Although there are many problems in party style, and some are very serious, and new unhealthy tendencies keep emerging while old problems are being solved, on the whole party style has prominently turned for the better over the past few years. The party's ideological line of seeking truth from facts has been reestablished; a whole set of lines, principles, and policies have been formulated and implemented; the "leftist" guiding principles have been corrected, and the party's democratic centralism and its principle of collective leadership have been restored and developed. Has everyone not seen these significant changes in party style? These facts strongly suggest that healthy factors occupy a leading position in the party. If the party can rectify a mistake as big as the "Great Cultural Revolution," which affected the overall situation, it will certainly be able to clean away the dirt on it and bring about a fundamental turn for the better in party style. CYL members and young people should conscientiously study the CPC Central Committee's relevant documents and speeches made by leading comrades of the central authorities, enhance their understanding, and increase their confidence. CYL cadres who are party members should take the lead in action and strive for the rectification of party style.

Second, over a period of time, some leading organs and leading cadres have had the problem of being afraid to check unhealthy tendencies, saying much but doing little. Empty talk will, of course, not help stop unhealthy tendencies but will, instead, allow unhealthy tendencies to spread. This cannot but affect the confidence of some comrades. The CPC Central Committee pointed out that in rectifying party style, it is necessary to solve the six problems listed in the circular issued by the offices of the CPC Central Committee and the State Council (the circular demands that the unhealthy tendency of contending for the purchase and exchange of imported sedans be resolutely checked; that the unhealthy practice of sending people abroad at will be resolutely stopped; and that the illicit practice of using public money to tour scenic spots be resolutely stopped.)

Extravagance, waste, and the bad habit of giving dinners for relatives and friends at the expense of public interests must be strictly forbidden; the practice of party and government cadres obtaining extra income apart from their salary and collective benefits must be strictly forbidden. Those who abuse their power and take advantage of the favorable conditions they have to do business in violation of the rules and regulations must be seriously dealt with); it is necessary to do a good job in the four aspects of work such as strengthening ideological education, perfecting rules and regulations in order to strengthen discipline, dealings with major cases, and perfecting inner-party life; and it is necessary for discipline inspection organs, judicial departments, party committees of various organs, and inquiry offices to concentrate their main efforts on discovering and dealing with the above cases. Now the six problems have been explicitly defined and the four aspects of work have been made clear and specific. As long as we resolutely follow the CPC Central Committee's plans, we will certainly make prominent achievements in rectifying party style and correcting unhealthy tendencies.

Third, some young people feel that although the CPC Central Committee has issued many instructions on correcting party style and rectifying unhealthy tendencies and a clear distinction has been made in applying the relevant policies, they are not sure how to proceed and what effective methods to adopt. This feeling has made them lack confidence. Now the CPC Central Committee has decided that the rectification of party style and unhealthy tendencies should start with the central organs and Beijing. This is the best opportunity to make a breakthrough. Comrade Zhao Ziyang said: "The general mood of society in our country is determined by the quality of party style, the quality of party style depends on the general mood of the leading organs, and the general mood of the leading organs is determined by the general mood of the party, government, and Army leading organs at the central level. In short, all this is determined by the general mood in Beijing." If the problem of party style in central organs is not solved, it will exert a bad influence on the general mood of the entire party and add to the difficulties of rectifying party style. If central organs can act in line with the requirements of Comrade Hu Yaobang and display their lofty spirit and fine work style before the country, they will play a positive role in improving the style of the entire party and will help bring about a change for the better in the general mood of society. Therefore, the crux of rectifying party style and unhealthy tendencies lies in bringing into play the exemplary role of central organs.

Rectifying party style and unhealthy tendencies accords with the will of the party and the people. Since the central authorities have made up their minds, worked out correct principles and plans, and given prominence to specific methods, the target of bringing about a fundamental turn for the better in party style and the general mood of society, set by the 12th CPC National Congress, will be realized in due course, and we should have full confidence in this.

MARXISM CAN AID REGIONAL DEVELOPMENT STRATEGY

HK280924 Shanghai SHIJIE JINGJI DAOBAO in Chinese 13 Jan 86 p 14

[Article by Yu Guangyuan: "Marxism and the Study of Regional Development Strategy"]

[Text] Marxism is of greatest significance in guiding the study of regional development strategy. At the conference of party delegates victoriously concluded not long ago, Comrade Deng Xiaoping said: At present, among our cadres there is an argument that we are now at the stage of socialist construction and what we need most is professional knowledge and managerial skills, that there is no great immediate need to study Marxist theory. He pointed out that this is a misconception. After studying Comrade Deng Xiaoping's speech, we all thought that while dispelling the misconception, he urged all cadres, both new and old, "to keep on devising solutions to new problems in light of changing conditions. By this process, Marxist theory itself will be further developed."

We also thought these remarks were extremely significant to China's modernization program. In our study of regional development strategy, it is definitely very necessary to think deeply about the relationship between Marxism and regional development strategy and to deepen our understanding of this issue.

It must be acknowledged that to study regional development strategy, one must master scientific knowledge and technical know-how in both the natural and social sectors. They have no class character and are equally applicable to capitalism and socialism. Therefore, they can be called "universal science and technology." At present we have learned too little rather than too much in this regard. However, relatively speaking, "Marxist science" is equally indispensable to us. As I see it, it must be admitted that we have attached insufficient important to its study. What then is the relationship between Marxism and the study of regional development strategy? In my opinion, it is manifested in the following:

-- Marxism can guide us in understanding the great significance and fundamental objectives of the study of regional development strategy.

--Marxism can guide us in adhering to socialist principles and firmly forging ahead along the road of scientific socialism in the study of regional development strategy and guide us in understanding the tasks, principles, and measures of reform during the socialist construction period.

-- Marxism can guide us in better understanding the scientific theory concerning socialist construction planning (including regional economic and social development strategy.)

-- Marxism can help us understand how to solve basic political, economic, social, and cultural problems associated with the study of regional development strategy.

-- With its philosophy of dialectical materialism (the highest development in the history of human thought and world philosophy), Marxism can also help us solve more cleverly numerous problems which crop up in the study of regional development strategy.

These are just a few of the ways in which Marxism can guide us in the study of regional development strategy. We could cite more. All of these, of course, still call for more detailed explanations. We should combine the study of Marxism with that of China's real problems. This is the path we should take in advancing and developing Marxism. The study of regional development strategy is an important study of practical problems which can contribute to the advancement of Marxism.

PLA FLEET DISCUSSES POLITICAL WORK IN OPEN AREAS

HK280909 Beijing RENMIN RIBAO in Chinese 24 Jan 86 p 4

[Report by Jian Xuan: "PLA South China Sea Fleet Holds Discussion Meeting on Political Work in Units Stationed in Areas Opening Up to the Outside World"]

[Text] How to carry out the "four haves" education -- education in fostering lofty ideals and moral integrity, becoming educated, and cultivating a strong sense of discipline -- and how to improve and strengthen ideological and political work in the PLA units stationed in the open areas are a matter of great interest to leaders of the PLA South China Sea Fleet. At a meeting in Zhanjiang recently for representatives of advanced individuals and units of the Armed Forces in building spiritual civilization stationed in the special economic zones, open cities, and Hainan Island, the Political Department of the fleet made a serious study of the matter and discussed it earnestly.

Most units of the fleet are stationed in the special economic zones and the open areas. With the development of the commodity economy and increasing contacts with people of other countries, the decadent capitalist ideas of "money is everything" and "personal interests are above everything else" have been growing among a certain number of officers and men. It is therefore more urgent and important to carry out the "four haves" education in depth and to intensify political and ideological work in PLA units stationed in the open areas.

After listening to reports by political work cadres of 16 primary units on their experiences in conducting education in fostering lofty ideals and cultivating a strong sense of discipline, the meeting proposed that all PLA units conduct the "four haves" education in earnest before March this year.

The meeting also suggested a reform of forms and methods of political and ideological education, taking advantage of adequate information facilities in the open areas and conducting timely education in some budding problems. As for the methods of education, it is necessary to combine general education with heart-to-heart talks so as to carry out political and ideological work in accordance with special characteristics. We must publicize both positive and negative examples so that officers and men will learn from images of revolutionary heroes and will distinguish between true and false and between right and wrong by virtue of the experiences of others. We must also combine classroom courses with contests of knowledge and meeting for giving lectures and holding debates so that those who receive an education will not be bored.

In carrying out the "four haves" education and improving and intensifying political and ideological work, the key lies in the fact that party committees should attach importance to it and leading cadres should play an exemplary role. The meeting especially stressed that leading cadres at all levels should strive to become revolutionary soldier soldiers with lofty ideals, moral integrity, education, and a sense of discipline. In checking unhealthy tendencies, the higher levels should take the lead and play an exemplary role for the lower levels. Party committees at various levels should strengthen unified leadership and take the "four haves" education as a part of their work, while all departments should make concerted efforts and work in cooperation with each other. Meanwhile, political work cadres at various levels of the fleet should fight in the vanguard to become "four haves" pioneers.

LI DESHENG TRIP TO XINGAN RANGE RECALLED

HK280901 Beijing LIAOWANG in Chinese No 2, 13 Jan 86 pp 22-23

[Article by Li Yuezhu: "The General Goes to Xingan Range for a Sixth Time"]

[Excerpts] In July 1985, Li Desheng, who had just resigned from the post of commander of the Shenyang Military Region, handed over work to his successor, talked with every one of the members of the new body, and drove straight to the Xingan Range without even resting for a day. He wanted to see once again before leaving his post the frontier guards safeguarding the motherland in areas where conditions are the toughest.

Against the cold wind in the deep of the night in the northern Xingan Range, and then despite scorching sun at noon, he took a train, changed to a car, and drove day and night across the mountain range. Everywhere he went, he would go to the soldiers' camps, shaking hands with every one of them, and cordially ask where they hailed from, whether they were used to the life there, and whether there were any problems needing to be solved. Since ancient times, good generals have cherished soldiers. After 11 years in the border areas, going through bitter winters and scorching summers, Li Desheng has build a profound friendship with the frontier guards. The latest trip was his sixth to the Xingan Range.

CPPCC URGES EMULATION OF HONG KONG-BORN DOCTOR

HK290913 Beijing RENMIN RIBAO in Chinese 23 Jan 86 p 1

[Report by correspondent Wang Jin: "The CPPCC National Committee Holds a Forum on Emulating Hong Kong-Born Doctor Pan Enliang"]

[Excerpt] Following Jiang Zhuying and Luo Jianfu, Pan Enliang -- another brilliant representative of outstanding intellectuals -- evoked strong repercussions in the CPPCC National Committee and among organizations engaged in united front work. On the morning of 21 January, the CPPCC National Committee invited its members who were in Beijing and some 100 persons in charge of various party groupings to hold a forum on emulating Pan Enliang.

Before his death, Pan Enliang was vice chairman of the Taian County CPPCC Committee in Liaoning Province and president of the county's People's Hospital. He was born in Hong Kong in 1930, returned to the mainland with great enthusiasm in 1951 and was enrolled at the Dalian Medical College in 1953. In 1958 when he graduated, he suffered an injustice and was sent to remote Taian County in Liaoning Province as a doctor. Although he was treated unjustly in previous political movements, he never wavered in his trust in the CPC and his love for the socialist cause. He persistently served the people wholeheartedly at his medical post for some 20 years. As a Hong Kong-born resident, he was to have returned to Hong Kong to inherit a large legacy but he silently devoted himself to the service of the people rather than apply to return to Hong Kong.

At the forum, all participants unanimously praised Pan Enliang for his praiseworthy spirit of loving the motherland persistently and earnestly undergoing all kinds of frustrations in life but never changing his utter loyalty to the motherland. Li Ganliu said: The reason Pan Enliang could withstand all kinds of trials under tough conditions and remained utterly loyal to the motherland although experiencing frustrations in life lies in the fact that he has a sincere and ardent lvoe for his motherland and a firm faith in socialism. Cheng Siyuan said: Pan Enliang's heroic deeds have proven that most sons and daughters of the Chinese nation living abroad are patriotic. Although living abroad, they always cherish the motherland and hope our country and people, with a firm foothold, will become more prosperous and stronger. This serves as a guarantee that our motherland will surely be united and our four modernizations program will certainly be achieved. Shen Qizhen said: The name of Pan Enliang has been enshrined in the annals of rejuvenating China and his spirit will live in the hearts of the people forever. He made some proposals on how to commemorate Pan Enliang.

The forum was presided over by Yang Jingren, vice chairman of the CPPCC National Committee.

FUJIAN'S XIANG NAN ADDRESSES PARTY MEETING

OW290529 Fuzhou FUJIAN RIBAO in Chinese 17 Jan 86 p 1

[Excerpts] A provincial meeting of prefectural, city, and county party committee secretaries was held in Fuzhou yesterday. The meeting was called mainly to implement the guidelines laid down by a central conference on rural work and a conference of cadres of central organs, and to solve problems in further invigorating the rural economy and carrying out party rectification in the rural areas.

Xiang Nan, secretary of the provincial party committee, presided over the meeting. On behalf of the provincial party committee, Jia Qinglin, deputy secretary of the provincial party committee, made a report entitled: "Conscientiously Implement the Guidelines Laid Down by the Central Conference on Rural Work and Further Bring About a New Situation in Our Province's Rural Work."

Comrade Xiang Nang addressed the meeting. After analyzing the situation in rural Fujian and its agriculture, he said: The situation in the rural areas is good, manifesting itself in three aspects: First, the total income of the village and town enterprises in the province last year increased 75 percent over 1984, with its increment rate ranking third in the country; second, total aquicultural output ranked first in the country; and third, the afforestation plan was overfulfilled by 70 percent. However, we should still note problems in agriculture. The main problems are: A weak agricultural foundation, a reduction in investment, a lack of staying power, and insufficient services for agriculture. We must not take rural, grain, and agricultural problems lightly. All localities and departments should strengthen the agricultural foundation and staying power.

On strengthening land management and effectively carrying out village and town construction, Xiang Nan said: It is a terrible thing that farmland has been reduced year after year. Some cadres have arbitrarily seized farmland and built houses on it. They have really set a bad example in this regard. Each township should assign a special person to take charge of land management and village and town construction, and such management should be strengthened by administrative, economic, and legal means.

Rural party rectification is a major task in rural work. Comrade Xiang Nan advised carrying out this task well. It is necessary to appraise the situation in the rural areas accurately. The current situation there is good, thanks to the efforts of large numbers of party members and people. It should also be noted, however, that there are indeed unhealthy tendencies, such as abusing power to seek personal gain, and even violations of law and discipline. Comrades of all county party committees should act carefully, according to the provincial party committee's "four requirements," "four benefits," and "four disapprovals," and strengthen their leadership over party rectification.

Attending yesterday's meeting were members of the standing committees of the provincial party committee, the provincial Advisory Commission, and the provincial Discipline Inspection Commission, members of the leading party group of the provincial People's Congress; vice governors; members of the leading party group of the provincial CPPCC Committee; leaders of the provincial military district; secretaries of various prefectural, city, and county party committees; the chairman of the provincial agricultural commission; and responsible persons of various departments, commissions, and offices under the provincial party committee, and of various commissions, offices, departments, and bureaus under the provincial authority, totaling 343 persons.

FUJIAN: QUANZHOU'S NEW MAYOR INTERVIEWED

HK230731 Beijing ZHONGGUO XINWEN SHE in Chinese 1230 GMT 17 Jan 86

[Report by Li Jiancheng: "Conversation With Chen Rongchun, Quanzhou's New Mayor" -- ZHONGGUO XINWEN SHE Headline]

[Text] Fuzhou, 17 Jan (ZHONGGWUO XINWEN SHE) -- I interviewed Chen Rongchun, new mayor of Quanzhou City, Fujian Province, soon after he assumed office.

The 47-year old mayor has a lean face and bright piercing eyes, giving people the impression of an intelligent and capable man. Chen Rongchun, a native of Huian County, graduated from the Beijing Foreign Affairs Institute and has served as a diplomat for more than 20 years. He talked cheerfully and humorously during the interview.

Asked about the administrative program of the current municipal government, Mayor Chen said: Our goal is to turn Quanzhou into an open city. To achieve this goal, we must do a good job in five [as published] aspects, namely: 1) Expansion of exports -- in the coming 5 years, we will build some bases to produce staple export commodities, such as tea, porcelain, canned food, slabstone, footwear, textiles, and fresh and live goods; 2) development of tourism and cooperation with foreign interests in the field of labor service; 3) full utilization of funds provided by Overseas Chinese and foreigners in the development of business in the forms of processing of provided raw materials, joint ventures, and cooperation projects; 4) the strengthening of cultural, scientific and technological, and academic exchanges and friendly contacts with foreign countries as well as with Hong Kong and Macao.

Mayor Chen said: In becoming an open city, Quanzhou enjoys five favorable conditions: 1) The city has rich resources to develop forestry, the mining industry, and hydroelectric power. 2) Quanzhou's 421-kilometer coastline and 1 million mu of beaches are definitely advantageous for the development of fishery and aquatic product farming, and more than 10 ports, including Xiaocuo, Houzhu, Chongwu, Xiutu, Shijing, Dongshi, and Anhai, are excellent places to develop sea transport. 3) More than 3 million Quanzhou natives live abroad, spread over more than 90 countries and areas in the world. 4) Quanzhou is separated from Taiwan by only a strip of water and is only 140-odd nautical miles away from Kaohsiung; in addition, 40 percent of Taiwan Han compatriots are of Quanzhou origin. 5) Quanzhou is a cultural center with many historic sites, more than 200 spots in the city have been classified as protected cultural relic units; moreover, as the departure port of the ancient "silk road by sea," the city enjoys exceptional advantages for developing tourism.

At present, the priority task for Quanzhou is to step up the construction of infrastructure and to improve investment conditions. Regarding energy supply, the city's short-term tasks are the Longmentan water diversion and hydropower project, the Xinlan hydropower station project, and the Xiamen-Quanzhou 220,000-volt electric transmission and transformer substation project. With regard to communications, it is necessary to step up the construction of the Tianhushan feeder line and the Hutou-Quanzhou section of the Zhangzhou-Quanzhou railway, as well as the Xiaocuo and Houzhu port expansion projects, to form a sea transportation fleet, and to open direct shipping lines between the ports of Chongwu, Wangchuan, Dongshai, and Shijing on the one hand and Hong Kong and Macao on other hand. With regard to telecommunications services, emphasis must be placed on the construction of the Quanzhou 8,000-line and Jinjiang 4,000-line program controlled telephone projects.

Mayor Chen pointed out: At present, another important task for Quanzhou is to further implement the policy on Overseas Chinese affairs so as to win confidence among Overseas Chinese.

He said: Changing the household registration of more than 2,600 returned Overseas Chinese households has been completed and more than 30,000 unjust, false, and wrong verdicts involving returned Overseas Chinese and their family members have been reversed. The tasks currently under way include: 1) The implementation of the housing policy for Overseas Chinese. According to a survey, a total of 1,580 houses with a floor space of more than 400,000 square meters had been wrongly confiscated after the land reform. By early January the property rights to 95.6 percent of these houses has been returned to their owners, and 70 percent of this real estate is now being used by the owners. It is planned to return the property rights to all the houses to their owners by the first quarter of this year and return to all the owners the right to use these houses by the end of this year. 2) The implementation of the policy toward returned Overseas Chinese, their family members, and intellectuals of Overseas Chinese origin. At present there are 1,413 returned Overseas Chinese, their family members, and intellectuals of Overseas Chinese origin residing in the city. It is necessary to arrange appropriate jobs for them according to their own conditions. So far 189 people are holding leading posts at and above the county or section level. We must also mend our ways in helping this group of people to solve such specific problems as their children's education, employment, housing, separation between husbands and wives because they are working in different places, the irrelevance between their professional qualifications and the nature of their present jobs, and soon. 3) Those returned Overseas Chinese and their children who were forced to leave the city in the early 1960's should be allowed to return. They total more than 400, of whom more than 140 have returned to the city and have been settled, and the rest are to return and be settled by the middle of this year, while those who are older will be allowed to retire according to normal procedure.

HAN PEIXIN ADDRESSES JIANGSU CYL MEETING

OW260940 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 23 Jan 86

[Text] A Jiangsu provincial conference of CYL delegates concluded successfully in Nanjing on the afternoon of 23 January.

Han Peixin, secretary of the provincial CPC Committee, attended and addressed the conference. The conference elected 51 additional members and alternate members to the Eighth Jiangsu Provincial CYL Committee.

In his speech Comrade Han Peixin stressed that party organizations and party cadres at all levels throughout the province should display communist farsightedness and vision by attaching importance to youth work, be concerned about it, and assist in carrying out the work. Party committees at all levels should be concerned about the work, help CYL cadres in their daily life, and help them to mature as soon as possible. They should provide more opportunities for CYL cadres to temper themselves, create the objective conditions needed by CYL cadres to carry out their work, and solve actual problems for them to enable them to do a still better job. Party committees at all levels should consider it a matter of great importance to train CYL cadres and have CYL cadres with both political consciousness and competence assigned to the various CYL organizations.

The average age of the additional committee members and alternate members elected at the conference is 28. Sixty percent of them have acquired a university or higher level of education.

On the morning of 22 January, 50 comrades who had already left their CYL work posts, attended a discussion meeting of new and old CYL cadres.

Sun Jiazheng, former secretary of the provincial CYL Committee and member of the Standing Committee and director of the Propaganda Department of the provincial CPC Committee; Gu Hao, former deputy secretary of the provincial CYL Committee and director of the Organization Department of the provincial CPC Committee; and (Ji Yongchi), former secretary of the provincial CYL Committee and secretary of the Lianyungang City CPC Committee, made remarks full of warm feelings.

JIANGSU'S HAN PEIXIN TALKS TO PARTY SCHOOL CADRES

OW290543 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 25 Jan 86

[Excerpt] According to a XINHUA RIBAO report, the 101 middle-aged and young cadres attending the provincial party school's 1985 cadres training class and leading cadres advanced training class completed their courses yesterday. Comrade Han Peixin presented them with diplomas and spoke at the commencement ceremony.

Comrade Han Peixin told them to make what they have learned at the party school a new starting point, and continue to study Marxist theory after returning to work.

WAN SHAOFEN, BAI DONGCAI ATTEND JIANGXI FORUM

OW281619 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 25 Jan 86

[Excerpt] The Propaganda Department of the Jiangxi Provincial CPC Committee and the provincial Philosophy and Social Science Federation jointly held a forum at the Jiangxi Hotel this afternoon to discuss how social sciences could contribute to Jiangxi's revitalization. Wan Shaofen, secretary of the provincial CPC Committee; Liu Fangren and Xu Qin, deputy secretaries; Bai Dongcai, member of the Central Advisory Commission; Zhao Zengyi, chairman of the provincial Advisory Commission; (Chen Guizun), vice governor; and Ma Jikong, honorary chairman of the provincial Philosophy and Social Science Federation, were at the forum.

WAN SHAOFEN ADDRESSES JIANGXI JOURNALISTS

OW281617 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 28 Jan 86

[Excerpts] Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee, this morning addressed a forum of journalists sponsored by the General Office and the Propaganda Department of the provincial CPC Committee and the General Office of the provincial government. She said: Journalists in Jiangxi have worked hard and achieved great success in helping revitalize Jiangxi and promoting the four modernizations this past year. I hope that you will continue to work hard in the new year and fully play your part as the party's mouthpiece to prepare public opinion for speeding up the arrival of socialist material and spiritual civilization, deepening the economic reform, and fundamentally improving our province's party style and social conduct. Liu Fangren, deputy secretary of the provincial CPC Committee, presided over the forum.

Comrade Wan Shaofen spoke at the forum's end. She emphatically pointed out: In propaganda work, we must pay attention to social effects. We must give our propaganda a distinctive feature. Our propaganda on the Red Army's course in Jiangxi is of profound significance to developing Jiangxi's spiritual wealth and carrying out education in our revolutionary traditions. We must heighten the people's spirit by means of propaganda and arouse them to work with one heart to carry out the four modernizations.

JIANGXI LEADERS ADDRESS CADRES' MEETING

OW290405 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 24 Jan 86

[Excerpts] The Jiangxi Provincial CPC Committee held a meeting of cadres of provincial-level organs at the Jiangxi Theater in Nanchang City this morning, calling on them to play an exemplary role in improving party style throughout the province.

Xu Qin, deputy secretary of the provincial CPC Committee, chaired the meeting. Attending were Secretary Wan Shaofen, Deputy Secretaries Liu Fangren and Xu Qin, Standing Committee members Wang Zhaorong, Pei Dean, Wang Baotian, (Lu Xiuzhen), (Wang Taihua), and Zhao Zhijian, and veteran Comrade Ma Jikong of the provincial party committee; Chairman Zhao Zengyi, Vice Chairmen Di Sheng and (Liu Zhonghou), and Standing Committee members (Wang Linde), Liang Jianguo, and Dong Chao of the provincial Advisory Commission; secretary of the provincial Discipline Inspection Commission Zhu Zhihong; Chairman Wang Shufeng and Vice Chairmen Wang Zemin, Huang Xiandu, Peng Shengxi, and Liu Bin of the provincial People's Congress Standing Committee; Vice Governors Qian Jiaming and (Sun Xiyue) and adviser Fang Qian of the provincial people's government; Vice Chairmen Yang Yongfeng, Shen Hanqing, Lu Liang, Wu Yongle, (Wu Quyu), and (Wu Yunzhong) of the CPPCC Provincial Committee; Political Commissar Wang Guande, Deputy Secretary of the Discipline Inspection Commission (Shen Zhongxiang), Chief of Staff (Liu Ziming), and Director of the Political Department (Chen Lijiu) of the provincial military district; and Vice President (Liu Zhifu) and Deputy Political Commissar (Yang Linxiong) of the Nanchang Army School, as well as some 3,400 cadres of provincial-level organs.

Secretary of the provincial party committee Wan Shaofen was the first to speak at the meeting. Then, deputy secretary of the provincial party committee Liu Fangren spoke. He discussed, in particular, questions related to the improvement in party style of provincial-level organs. He said: Party organizations at various levels throughout the province have done a tremendous job in improving party style over the past few years. There are positive signs of a marked improvement in our party style. However, while fully confirming the achievements in improving party style, we should note that manifestations of the unhealthy tendency pointed out in the central leading comrades' speeches do exist in varying degrees in our work, and that some are rather serious. In improving party style, provincial-level organs should pay close attention to work in the following aspects: First, it is necessary to intensify ideological education in order to achieve greater unity in thinking and enhance understanding. Second, it is necessary to earnestly conduct a comprehensive and thorough examination and consolidation of party style in the provincial-level organs. Third, it is necessary to reinforce discipline and take firm action to investigate and punish violations of discipline, especially major and grave cases. Fourth, it is necessary to set up and improve relevant rules and regulations to institutionally guarantee strict investigation of unhealthy tendencies. Fifth, it is necessary to improve the quality of leading bodies, so that leaders can set a good example in improving party style.

Zhao Zengyi, chairman of the provincial Advisory Commission, and Wang Baotian, Standing Committee member of the provincial party committee and commander of the provincial military district, also spoke at the meeting. Comrade Zhao Zengyi said: The central leading comrades have told us that, although we have retired from the frontline of administrative work, we should never retreat to the secondary front as far as work related to party style and discipline is concerned. As long as our party membership continues in our lifetime, we should remain in the frontline and play an exemplary role in this regard.

We should also constantly improve ourselves on such fundamental issues as enhancing party spirit, observing party discipline, and safeguarding party unity.

In his speech, Wang Baotian said: The Central Military Commission's decision that the Army should play the leading role in improving and bringing about a fundamental improvement in party style this year is a glorious task entrusted to it under the new situation. Party style in the provincial military district is, in general, good, as reflected in the marked results achieved in implementing the party's line, principles, and policies and carrying out all tasks, especially in the Army's structural reform and reduction-in-strength reorganization. However, to fulfill the requirements set by the party Central Committee and the Military Commission, much needs to be done, and weaknesses need to be overcome. In line with higher authorities' arrangements and demands, party committees and organs of the provincial military district and military subdistricts have made serious efforts to further improve party style. The party committee of the provincial military district has mapped out a 10-point plan for improving party style in 1986. The Standing Committee of the party committee has also formulated six measures for raising the quality of the leading body. We are confident and determined to unite as one in taking the lead in improving, and bringing about a fundamental change for the better in party style in the province.

SHANDONG SECRETARY SPEAKS AT PARTY MEETING

SK260242 Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Jan 86

[Text] On 24 and 25 January the provincial CPC Committee and government held separate meetings of responsible persons of the departments, committees, offices, section, and bureaus directly the province. Yang Xingfu, Standing Committee member of the provincial CPC Committee, and Ma Lianli, vice governor of the province, relayed the guidelines of the speech on correcting party style and improving the work styles of organs delivered by Liang Buting, secretary of the provincial CPC Committee, at the Standing Committee meeting of the provincial CPC Committee. Based on the actual situations of the provincial organs, they also put forward specific opinions on implementing the guidelines.

On 21 January the Standing Committee of the provincial CPC Committee held a meeting to hear a report on the situation of the provincial organs in improving their work styles, and to conduct conscientious study regarding the next step of the work involving improving the styles of thinking and work of provincial organs. Comrade Liang Buting pointed out. The present work of provincial organs with regard to improving their styles of thinking and work is an important step to consolidate the develop the achievements in earlier party rectification. It represents the continuation of party rectification. Great achievements have been scored in party rectification, and many positive results should be fully affirmed. However, there are indeed some problems that have not been solved successfully. We should adopt positive methods to solve such problems. The very purpose of the present work of improving the work styles of organs is to bring about a fundamental turn for the better in the party and administrative styles of the organs. This is an important task bearing on the work for the entire year.

He stressed: In carrying out this work, we should, first of all, list all the conspicuous problems that the masses are most concerned about, which affect the relations between the party and the masses and which interfere in the normal progress of work, and solve them successfully one by one. We should emphasize actual results and avoid flourishes.

With regard to the steps to be taken to solve the problems, after the previous ideological mobilization, we should start with and emphasize the implementation of the guidelines in the circular on solving some current serious problems concerning the work styles of organs issued by the General Offices of the CPC Central Committee and the State Council, with the focus on solving the problems in the economic field, and then gradually extend our efforts to the political, organizational and ideological fields to correct their unhealthy trends, such as liberalism, sectarianism, and a negligence of organization and discipline.

He continued: The present work to improve the work styles of organs is different from other general work. The CPC Central Committee has made a firm determination. It called on the central organs to act as examples throughout the country, and has taken very quick action. We should also be determined to do so. Provincial organs should act as examples throughout the province, formulate some rules and regulations, and take the lead in abiding by them. All units should institute the responsibility system with their leaders taking the responsibility, and should report their situations in a timely manner, exchange their experiences, conduct inspections, and give guidance.

Comrade Liang Buting said: We should be firm in our attitude and prudent in our steps when solving problems in the work styles of organs. We have been lenient in dealing with the problems of a general nature. From now on we should be strict in dealing with such problems, with the major purpose being to educate people and check future problems. Those who violate discipline to a serious extent should be thoroughly investigated and corrected, and be handled according to discipline. With regard to the small number of people who violate the criminal law, we should punish them according to law after clarifying the facts regarding criminal activity, and should never be soft-hearted toward them. All departments and units should work out necessary regulations and stipulations to counter the problems in the work styles and the loopholes in the systems of organs, including establishing and improving the award-penalty system for the personnel of the organs. The awards and penalties of a cadre should be recorded in his personal files and be regarded as an important basis on which to evaluate and use him. The work in this aspect should be perfected gradually.

After the 21 January meeting of the Standing Committee of the provincial CPC Committee, the provincial CPC Committee and government held meetings of responsible persons of various provincial departments, which were presided over by Yang Xingfu, Standing Committee member of the provincial CPC Committee, and Ma Lianli, vice governor, respectively, to relay the guidelines of the Comrade Lian Buting's speech and put forward demands for the next step of the work involving improving the work styles of organs.

1. It is necessary to continue to penetratingly study the speeches of Hu Yaobang and other central leaders delivered at the rally of cadres of central organs, further enhance understanding and correct attitude, and continuously raise awareness in correcting party style and improving the work styles of organs.

2. It is necessary to study, examine ourselves, and correct our problems immediately, all at the same time. It is necessary to stress actual results and refrain from doing work superficially. Measures should be adopted immediately to solve the problems that can be solved within a very short period of time. We should regard the implementation of the circular on solving some serious problems in current work styles of organs issued by the General Offices of the CPC Central Committee and the State Council as an area where a breach should be made for the purpose of improving the work styles of organs, and pay attention to and solve the problems one by one.

3. It is necessary to sum up and introduce good experiences in a timely manner. The provincial CPC Committee has decided to hold a meeting for provincial organs to exchange experiences in improving work styles after the Spring Festival. It has also decided to establish a leading group for the improvement of the party style of provincial organs. CPC committees and leading party organs of all units should consider improvement of work style an important task for the present, institute the responsibility system at every level to make each level hold responsibility for the work of the next lower level, and fulfill the task successfully in line with the requirements of the provincial CPC Committee.

ZHEJIANG CIRCULAR ON IMPROVING PARTY STYLE

OW240602 Hangzhou ZHEJIANG RIBAO in Chinese 16 Jan 86 p 1

[Excerpts] Yesterday the General Office and the Propaganda Department of the Zhejiang Provincial CPC Committee issued a circular to party committees of all cities, prefectures and counties, as well as party committees and groups of all provincial units, in connection with the study and implementation of the speeches by leading comrades of the party Central Committee at the meeting of cadres in central organs.

The circular pointed out: In order to effectively study and implement the guidelines of the central leading comrades' speeches in light of the actual conditions in our province, we should currently concentrate on the following things:

1. Follow the guidelines contained in the central leading comrades' speeches when summing up the work in 1985 and defining the objectives in 1986. In summing up our work, we should be realistic, affirm the achievements, face the problems squarely, understand our weak spots and gaps, and look for ways to make improvements.

2. Further implement the related documents of the General Office of the party Central Committee, and effectively solve the six serious problems in the work style of party and government organs. Party organizations at all levels should regard the satisfactory solution of these problems as important practical actions in correcting party style. Units that have completed party rectification should conduct reviews and earnestly uncover and seek effective solutions to their own problems.

3. Thoroughly investigate and sternly handle cases of grave importance that have been uncovered. Party committees and discipline inspection commissions of all localities and units, those at and above the county level in particular, should review how the cases have been handled so far, and instruct the departments concerned to investigate and handle cases of grave importance without delay.

4. Party organizations at all levels should hold democratic meetings before the Spring Festival so that party members may measure themselves against the guidelines of the central leading comrades' speeches, carry out criticisms and self-criticisms, voluntarily accept supervision by the party organization and the masses, and rectify unhealthy practices.

5. Provincial organs should take the lead in studying the central leading comrades' speeches, and set good examples for the whole province. Provincial units should carry out study activities while summing up work experiences, making assessments, and holding democratic meetings. They should simultaneously study and correct mistakes, seek satisfactory solutions to their own problems, improve office work style, and do their best to serve grass-roots units and the people. Party committees of provincial organs should be aware of the studying being conducted in subordinate units, and should exercise supervision and conduct investigation accordingly.

HUNAN RADIO ON FAILURE TO CHECK UNHEALTHY TRENDS

HK290406 Changsha Hunan Provincial Service in Mandarin 2300 GMT 28 Jan 86

["Today's Forum" article: "Matching Our Words With Actions"]

[Text] One of the reasons there has been no fundamental turn for the better in the party work style in some localities and units so far is that the leading comrades of these localities and units have failed to resolutely check unhealthy trends. As the old saying goes: The superior man uses only his tongue and not his hands. In correcting unhealthy trends, they have confined themselves to conveying documents, aimless reasoning, and going in for flourishes rather than doing solid work in solving problems. Are they lazy and not ready to take the work in hand? Things are not that simple. They fear tackling the problems for complicated social reasons. For instance, those who are followers of the theory of relationships fear that they will be unable to get along well with those they have criticized. Those have scruples about power and influence fear being dismissed from office. Those who are engaged in encouraging unhealthy trends fear that they might be criticized if they criticize others. Some cadres who have committed gross mistakes fear making self-criticism will encourage criticism from others. For these reasons people have failed to expose some unhealthy practices and to handle some cases.

The CPC Central Committee has great determination to curb unhealthy trends prevailing within the party. At present, the Central Secretariat has started with the work of the central organizations and Beijing Municipality, thus setting an example for leaders at various levels. The superior men who use only their tongues and not their hands should no longer take a wait-and-see attitude and be overcautious and indecisive. It must be understood that if you do not start criticizing and correcting your mistakes by yourself, others naturally will.

HUBEI APPOINTS NEW ACTING GOVERNOR, OTHERS

OW301330 Beijing XINHUA Domestic Service in Chinese 1242 GMT 30 Jan 86

[By reporter Ren Zhaoying]

[Text] Wuhan, 30 Jan (XINHUA) -- Based on a request submitted by Huang Zhizhen, the 13th Session of the Standing Committee of the 6th Hubei Provincial People's Congress, which concluded today, decided that he would no longer hold the post of governor of the province. The session appointed Vice Governor Guo Zhenqian as acting governor of Hubei Province. At the same time, it appointed Duan Yongkang [3008 3057 1660] and Xu Penghang [1776 7720 5300] as vice governors.

WANG RENZHONG INSPECTS HUBEI PREFECTURE

HK270727 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 20 Jan 86

[Excerpts] Recently, Wang Renzhong, vice chairman of the NPC Standing Committee, inspected Hubei's Xianning Prefecture. He stressed that in correcting the party work style, we should now begin with the leadership. We should strengthen the party's ideological and organizational building, and correct the unhealthy tendencies. He also spoke at an enlarged meeting of Xianning Prefectural CPC Committee, which was attended by cadres at and above the (?county) level. His speech mentioned the issues of the standpoint, viewpoint, and methods of approach of a communist.

Comrade Wang Renzhong made the inspection tour from 28 December 1985 to 19 January 1986. He visited Toncheng, Chongyang, Puqi, Jiayu, and Tonghsan Counties, as well as the Puqi textile factory, where he held forums with cadres, intellectuals, and technicians.

He also inspected factories, villages, forestry centers, reservoirs, markets, and peasant households.

At the enlarged meeting of the prefectural CPC Committee, Comrade Wang Renzhong said: Starting from the 3d Plenary Session of the 11th CPC Central Committee, our party has brought order out of chaos and made great achievements in correcting the line, principles and policies. The present situation is very good. We must uphold reforms and the principle of developing the national economy and taking agriculture as the base.

On correcting the party work style, Comrade Wang Renzhong stressed: We must begin the work now with the leadership. Party committees at all levels must organize their cadres and party members to seriously study the remarks of central leading comrades made at the meeting of central organ cadres, which was held on 9 January.

On correcting the unhealthy tendencies, Comrade Wang Renzhong explicitly expounded on the standpoint, viewpoint, and methods of approach of a communist. He said: Every communist must use the Marxist standpoint, viewpoint, and method of approach, that is the dialectical materialist and historical materialist viewpoint and method of approach, to understand and change the world.

On how to think work, Comrade Wang Renzhong stressed the integration of collective leadership with division of labor; the separation of party management from government administration; the separation of government administration from enterprise supervision; the practice of discussing problems through study; the combination of study, work and writing; the practice of focusing our work on the rich and the poor so as to bring along people who make mediocre achievements; the practice of helping the poor catch up with the advanced units; the practice of grasping other tasks while focusing on the key work; the practice of training cadres and qualified personnel through various means; the practice that the party committees become the united, vigorous core of leadership; and the practice that the party committees are good at summing up their work by applying the Marxist law that "one divides into two," so as to strengthen the party's organization and ideological building.

Zhao Xinchu, member of the Central Advisory Committee, accompanied Comrade Wang Renzhong in the inspection tour. Also accompanying him was Lin Shaonan, vice chairman of the provincial People's Congress Standing Committee.

NEI MONGGOL CHAIRMAN ON RURAL PARTY RECTIFICATION

SK281230 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 26 Jan 86

[Text] Comrade Bu He [in his report to the regional meeting of banner and country CPC Committee secretaries] said that we should pay attention to the work in two fields when carrying our rural and pastoral party rectification.

First, we must basically estimate and correctly analyze the rural and pastoral situation, the work situation of the grass-roots party organizations, and the conditions of the broad masses of party members. During the past few years, the situations in many fields have been getting better and better year after year, thanks basically to the correct line, principles, and policies of the party. However, we must understand that it will be impossible for us to have this excellent situation without the concerted efforts of the broad masses of the people under the leadership of the 340,000 party members of the 1,600 grass-roots party committees and 15,000 party branches. The party's fighting power has been ceaselessly enhanced. Only a few grass-roots party organizations lack fighting force or are in a state of paralysis or semiparalysis, and only a few party members have seriously violated the law and discipline. Problems existing in the grass-roots party organizations and among the party members were, for the most part, caused by lack of knowledge of, experience in, and methods for adapting to the demands of the new situation in carrying out reform and the policy of opening to the outside world and enlivening the domestic economy, and in developing the commodity economy. Therefore, we must enhance education.

Second, while comprehensively fulfilling the four tasks for party rectification, we should focus the rural and pastoral party rectification on the issue of how to make the grass-roots party organizations, the organizations of political power, the economic organizations, and grass-roots cadres adapt to the demands of the development of the commodity economy. This is a key point of the second-step rural and pastoral reform, as well as the main direction of attack in making comparisons and examinations, correcting mistakes, and conducting rectification in the course of the rural and pastoral party rectification.

In the course of party rectification, we should, first, conscientiously grasp the study of the documents on party rectification, particularly the party Constitution, and generally and extensively conduct education on the basic knowledge of the party and the basic purpose of serving the people wholeheartedly in order to further enhance party spirit among the broad masses of party members, upgrade their ideological awareness, and build closer relations between the cadres and the masses. Second, we should further consolidate and perfect the party organizations at the township, town, sumu, and village levels. Efforts must be made to define their duties and to set up, in a step-by-step manner, management systems suited to the demands of the two civilizations. Third, banners and counties should take charge of cultivating grass-roots cadres in groups and by stages in an effort to upgrade these cadres' ideological and practical levels. Through party rectification, the grass-roots party organizations should further bring their fighting forces into play, while the party members should bring their vanguard exemplary role into play. Through party rectification, the grass-roots party organizations and the broad masses of party members should be further aroused with enthusiasm for leading the masses to pursue wealth, and make efforts to promote the development of the second-step rural and pastoral reform and accelerate the two civilizations.

GNP SURVEY CONDUCTED IN TIANJIN MUNICIPALITY

OW270557 Beijing XINHUA Domestic Service in Chinese 0048 GMT 24 Jan 86

[Text] Tianjin, 24 Jan (XINHUA) -- The result of a general survey of the gross national product [guo min sheng chan zong zhi 0948 3046 3932 3934 4920 0237] in Tianjin Municipality was announced the other day.

The results of the general survey show: Tianjin Municipality's GNP in 1984 was 14,747 million yuan, of which 1,114 million was produced by primary industry, 9.61 billion by secondary industry, and 4,023 million by tertiary industry. The proportions of the three industries in the municipality's GNP were 7.5 percent, 65.2 percent, and 27.3 percent respectively.

Following Shanghai, Tianjian is the second municipality using the GNP index to appraise its economy. The fruits of labor in the primary, secondary, and tertiary industries can be shown completely by making such an appraisal, and this can provide reliable data for developing a strategy for economic development and making long- and middle-term development plans.

The general GNP survey shows Tianjin Municipality's basic economic conditions, including the following:

In terms of its permanent population, Tianjin Municipality's per-capita GNP was 1,868 yuan in 1984, ranking third among the major cities of the country, below that in Shangahi and Beijing.

In 1984, the municipality had 30,292 independent economic accounting units, and their total assets were 47 billion yuan, including 30.1 billion yuan worth of fixed assets. There were 4,774,000 people employed in the municipality at the end of 1984, and their distribution among the industries was: 1,258,000 people worked in primary industry, 2,316,000 in secondary industry, and 1.2 million in tertiary industry.

Domestic commerce, communications and transport, and banking have become the three mainstays of tertiary industry in Tianjin Municipality. The total output value produced by domestic commerce, communications and transport, and banking in the municipality in 1984 was 3,017 million yuan, accounting for three-fourths of the tertiary industry's output value as a whole. In tertiary industry, the average per-capita productivity of the banking and insurance institutions was more than 36,000 yuan, ranking first among all trades in the municipality.

The general survey showed quantitatively the importance of intellectual trades in Tianjin Municipality for the first time. At the end of 1984, 268,000 people were providing scientific and technological advice and technical services, or were engaged in scientific research, cultural and educational work, sports and public health, broadcasting, television, the press, publishing, or other intellectual trades, accounting for 22.4 percent of all the personnel employed by the tertiary industry in the municipality; the intellectual trades had 1.75 billion yuan worth of fixed assets, constituting 17.1 percent of tertiary industry's fixed assets as a whole. Of those engaged in intellectual trades, educators made up the majority, numbering more than 153,000. Such large-scale intellectual trades in Tianjin Municipality have provided important conditions for cultural development, technological progress, and the development of intellectual resources in the municipality.

HEILONGJIANG SECRETARY DISCUSSES CYL WORK

SK280952 Harbin HEILONGJIANG RIBAO in Chinese 8 Jan 86 p 1

[Report on speech by Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, at a provincial CYL Committee work conference held on 6 January: "Attach Importance to CYL Work"]

[Text] The recent provincial CPC Committee work conference put forward a general guiding ideology for the work of the province for this year -- to conscientiously implement the guidelines of the National Conference of Party Delegates, persistently promote the two civilizations simultaneously, uphold the strategic principle of "carrying out reform and technical transformation, opening to other provinces and foreign countries, and developing resources in order to make the country and the people prosper," work together in high spirits, and create a good beginning for the fulfillment of the "Seventh 5-Year" Plan. In order to implement this guiding ideology, it is necessary to arouse the enthusiasm of the people throughout the province. It is also necessary, no doubt, for CYL organizations at all levels throughout the province to lead the masses of CYL members and other young people and work in the vanguard. Efforts are needed with regard to two aspects in giving play to the role of young people and CYL organizations. First, young people and CYL organizations themselves should clearly understand their historical missions and the important responsbilities they are shouldering, and learn to focus their activities on the party's central work. Second, CPC committees at all levels should attach importance to and strengthen leadership over CYL organizations, and allow them to fully perform their functions. With regard to the first aspect, this conference has held fairly full discussions. What I would like to stress is the other aspect, that is, responsible comrades of CPC committees at all levels should attach importance to and strengthen their leadership over CYL work with the foresight and sagacity of communists. Attaching importance to something is an issue regarding understanding, and strengthening something is an issue regarding work. I will discuss them separately.

Why should we attach importance to CYL work? I think there are at least three reasons:

First, during protracted practice in revolutionary struggles, the party and the CYL have established inseparable flesh-and-blood relations, and attaching importance to the CYL has been our party's fine tradition for more than 60 years. The early-stage Chinese Socialist Youth League was established immediately after the establishment of the earliest communist group, and played an important role in establishing the party. After the founding of the party, the CYL always remained a close assistant and reliable reserve force of the party. When leading the revolution and construction, the party always paid close attention to the CYL's role and function as an assistant. The CYL also wrote brilliant chapters in carrying out the revolution and construction led by the party. The relations between the party and the CYL, established during protracted practice in revolutionary struggles, and the fine tradition of the party in attaching importance to CYL work should not weakened in the slightest in the new historical period, but should be inherited and developed more successfully.

Second, attaching importance to CYL work has been decided on by our party on the basis of its profound understanding of its own missions. Our party regards the realization of communism as its lofty ideal. However, this ideal is not to be realized by one or even several generations of people. It requires a long historical course, and the continuous arduous struggles of generations upon generations of people. This mandates that our party should always be geared to the future and to young people. Just as Comrade Mao Zedong said: "The world is yours, but it is also ours. In the final analysis, however, it is yours."

In this sense, whether or not a party organization or a leading person attaches importance to young people and the CYL organizations is an important criterion in judging whether or not the organization or person has strategic foresight and political sagacity, and whether or not the organization or person is mature.

Third, attaching importance to CYL work and the role of young people is also urgently necessary for our party in its endeavor to lead the people in building the two civilizations and fulfilling the "Seventh 5-Year" Plan. The National Conference of Party Delegates issued a great call for "working together for a splendid future," and defined the strategic goals of the "Seventh 5-year" Plan. The work conference held by the provincial CPC Committee also put forward the strategic ideas on the province's economic and social development for some time to come on the basis of the actual situation of the province. What should we rely on in order to realize these goals and ideas? Most importantly, we should rely on arousing the initiative of the people throughout the province, and in particular, on giving play to the role of young people. Among the population of more than 30 million in our province, 10.5 million are young people. How the role of this contingent of young people is developed decides, to a great extent, the features of Heilongjiang, and the development of our various undertakings and fulfillment of our various tasks.

From these reasons, we can see that, in every sense, young people and CYL work merit our great attention. However, we must not merely pay lip service to this, "acknowledging their importance verbally, putting them in the secondary position when doing work, and neglecting them when we are busy." We must show our attention with actual deeds.

The best manifestation of CPC committees' attention to CYL work is their conscientious efforts to strengthen leadership over it. Here, I would also like to stress three things.

First, strengthening leadership over CYL work means that we should understand CYL building as an organic component part of party building, and exert efforts to make CYL building successful. CPC committees at all levels should hold discussions on and inspections of CYL work at regular intervals; be good at guiding CYL organizations to "discuss major affairs, have a good grasp of the overall situation, and take good charge of their own work"; be good at indicating the orientation and putting forward work tasks to CYL work; and be good at helping CYL organizations solve major problems. They should resolutely support CYL organizations to carry out their work in a lively and creative manner based on the characteristics and needs of the masses of young people, and to fully perform their functions as a shock force and a bridge providing a link with the masses of young people. They should actively help CYL organizations to improve their systematic leadership, to consolidate and build grass-roots CYL organizations successfully in the course of party rectification, and to conscientiously change the situation in which the CYL organizations in some localities are lax and paralyzed. In our future inspection of grass-roots party building, we should take whether CYL work is vigorous as an important criterion.

Second, strengthening leadership over CYL work means that we should truly use the CYL as an assistant as stipulated in the party Constitution. It is stated in the party Constitution that the CYL is an assistant to the party. With regard to this issue, CYL organizations should study how to take the initiative in playing their role as an assistant, and CPC committees should also study how to give play to the role of CYL organizations as an assistant. At present, we should pay particular attention to two things: 1) CPC committees at the county level and below should earnestly implement the stipulation of the party Constitution that party-member cadres of the CYL may attend as observers the CPC Committee sessions and CPC Standing Committee session at the corresponding level so that these CYL cadres can understand the party's central tasks in a timely manner. 2) Attention should be paid to disseminating the heroic spirit of the party's revolutionary struggles among young comrades, passing on experience, giving help and setting an example to CYL cadres, and continuously enhancing their party spirit and idological and

political consciousness. In this way, each and every CYL cadre will foster a communist world outlook, bear firmly in mind the purpose of serving the people wholeheartedly, carry forward the spirit of devotion, responsibility, and solid work, and successfully lead the entire CYL contingent.

Third,, strengthening leadership over CYL work means that we should mobilize the forces throughout society to show concern for the growth of young people. Youth work is a social undertaking with the CYL as its core, and youth education is an overall project that can be completed only with all the forces of society. CPC committees at all levels should strive to create, in their own localities, departments, or units, a common practice of showing concern for the growth of young people. They should put youth education high on their agenda, and organize and coordinate all departments and units to do solid and good things for young people. Literary and art, press, and education circles, as well as other fronts, should also adopt their special methods and make contributions to training a new generation of communist-mind people with ideals, morality, education, and a sense of discipline.

As long as CPC committees at all levels truly attach importance to it and strengthen leadership, CYL work will certainly become more vigorous, and all our undertakings will be all the more prosperous.

JILIN SECRETARY MEETS OUTSTANDING PARTY MEMBER

SK290532 Changchun Jilin Provincial Service in Mandarin 1030 GMT 28 Jan 86

[Excerpts] This afternoon, leading comrades of the provincial party and government, including Gao Di, Wang Xianjin, Wang Zhongyu, Hui Liangyu, Gao Wen, and Wang Jinshan, met with Comrade Zheng Changlu, an outstanding Communist Party member who had led the masses to become wealthy, at the meeting room of the auditorium of the provincial CPC Committee. Upon meeting with Zheng Changlu, Gao Di and other leading comrades shook hands with him. Comrades Gao Di and Wang Xianjin warmly held Zheng Changlu's hands and made him sit between them. They said to him sincerely that they were learning from him. Then they engaged in small talk about their work and talked very happily.

In their informal discussions, Gao Di and other leading comrades stressed again that to learn from Comrade Zheng Changlu, we should learn from his firm communist conviction, his lofty character of sparing no efforts to fight for the four modernizations construction and making contributions with untiring efforts, his overall point of view and broad state of mind of sharing the burdens of the state and helping the people to get over difficulties, and his outstanding qualities of working earnestly and carefully for the four modernizations.

Comrade Zhang Changlu said that he will continue to persist in reform, implement the specific measures with unceasing efforts this year, strive to do all things which should be done by a Communist Party member, and not let down the hopes of the party and the leading comrades at all levels.

Also present on the occasion were (Hu Yuxia), deputy secretary of the Changchun City CPC Committee, and the responsible comrades of the propaganda departments of the provincial and Changchun City CPC committees.

SHAANXI'S BAI JINIAN ON PROBLEMS IN PARTY WORK

HK190223 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 18 Jan 86

[Exerpts] On the morning of 18 January, Comrade Bai Jinian met journalists covering the provincial conference of party delegates and spoke to them on three problems meriting attention in party work in the province.

He said: The first problem is organizational work. In the past few years the leadership groups of the party organizations at all levels have taken big strides in reducing the average age of their members. Large numbers of young cadres have taken up leading positions. The focus in organizational work should now be shifted to stepping up education and enhancing the quality of the cadre force.

He said that training cadres and improving cadre quality has become the key to the success or failure of socialist modernization. Correct policies cannot be implemented and fine ideas will be just empty talk unless we have large numbers of good quality cadres in all sectors. The party committees at all levels must regard training grass-roots cadres and strengthening grass-roots work as the cardinal link in party building during the next 2 or 3 years and get a really good grasp of it.

The second problem is that of carrying out work right down to the grass roots, with the whole party working to implement this. This should be a year in which our minds are emancipated still further and our economy develops still more. It should be a year of big improvement in leadership style and of putting all work on a sound basis. The provincial organs must take the lead in straightening out party style and spontaneously correct various unhealthy trends. They must set a good example for the whole province in improving efficiency, studying assiduously, strictly observing discipline, and strengthening party spirit.

The third problem Bai Jinian spoke on was that the party organizations and party-member cadres at all levels must have a pioneering spirit and be skillful, bold, and creative in work. Conservative thinking is a tremendous obstacle to social development. The conservative and backward mentality of looking to see whether higher authority has issued regulations and whether or not there are precedents to follow before doing anything, mechanically copying documents and passing them on, and regarding all new creations as heresy must be resolutely eradicated.

SHAANXI CPC STANDING COMMITTEE MEMBERS ELECTED

HK230243 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 22 Jan 86

[Excerpt] The Sixth Shaanxi Provincial CPC Committee convened its Fifth Plenary Session on 22 January, which elected three new Standing Committee members: (Mao Shengxian), (Bai Junxin), and (Yuan Zhengzhong).

The provincial CPC Advisory Commission held a plenary meeting which elected five new Standing Committee members: Li Xipu, (He Xia), (Gao Bulin), (Liu Pingxi), and (Dong Shifeng). Li Xipu was also elected vice chairman of the commission.

The provincial Discipline Inspection Commission held its fourth plenary session, which elected three new Standing Committee members. (Liu Taosheng), (Wang Guowen), and (Liu Guoyuan). (Liu Taosheng) and (Wang Guowen) were elected deputy secretaries of the commission.

COMMENTARY CONDEMNS U.S. MILITARY AID TO MAINLAND

OW290453 Taipei International Service in English 0200 GMT 29 Jan 86

[Station commentary: "Playing With Fire"]

[Text] The U.S. State Department confirmed a couple of days ago that the U.S. Government is negotiating with Peking for the sale of U.S.-made radar and navigational electronics to help modernize Red China's F-8 jet fighters. The amount involved is reportedly to reach 500 million dollars. The impending arms deal comes close at the heels of two other developments: The transfer of U.S. nuclear technology to Red China under the recently approved nuclear agreement and a naval passing exercise in South China Sea. It signifies that the U.S. Government is playing the so-called China card with seriousness.

We have no idea how many other arms deals are being discussed between Peking and Washington. What is known is that the U.S. is ready to sell Communist China naval equipment as well as hardware for its ground troops.

It is a dangerous game that the U.S. is playing, because Washington obviously believes that Peking will use the U.S.-provided arms to fight the Soviets. Peking has given no such guarantee and will never do so, just as it has refused to give an ironclad guarantee not to use U.S.-supplied nuclear technology and material to help other nations developing nuclear weapons.

Red China would not lift a finger against the Soviets unless Russia attacks the Chinese mainland. Such a possibility does not exist, because Moscow is not stupid enough to bloody itself in a clash with an ideological ally for the benefit of the U.S. If the Soviets really wanted to invade the Chinese mainland, they would have done so before the U.S. moved into the picture.

It is even less likely for Communist China to pick up a fight with the Soviet Union, considering that Peking is even unable to teach Vietnam a lesson, and that the regime is mending fences with Moscow so as to win Soviet help to update its obsolete factories.

Considering the scope of U.S. arms sales to Peking, it would be decades away before the Chinese Communist Armed Forces can stand up against the Soviets. However, even limited U.S. military assistance is sufficient to make the Peking regime acquire air and sea capability to threaten its neighbors.

The Republic of China on Taiwan in particular feels the threat most acutely. Although Peking is talking about peaceful reunification, it has refused to rule out the use of force against Taiwan.

Peking's party chief Hu Yao-pang said several months ago that Red China would acquire the ability to invade Taiwan in 5 to 7 years. Teng Hsiao-ping even hinted at a naval blockade anytime. Under the circumstances, the Republic of China's need of more advanced air and naval weapons to maintain the balance of power in the Taiwan Straits has become more acute than ever. We hope that Washington will recognize the pressing need and act accordingly, while proceeding with caution about arming a future enemy.

LIEN HO PAO ON SALE OF U.S. FIGHTERS TO TAIWAN

OW300200 Taipei LIEN HO PAO in Chinese 22 Jan 86 p 2

[Editorial: "From the Soviet Union's Eastward Expansion to the Question of America's Selling New Military Aircraft to our Country"]

[Text] In studying how to enhance relations between the Republic of China and the

United States or how to make a breakthrough in the current Sino-U.S. relations or, more specifically, how to obtain new U.S. weapons and military aircraft, some people suggested recently that we should exploit the situation of Soviet expansion in the western Pacific and its threat to the United States, and explain to the United States the strategic importance of Taiwan. They thought that in this way we could obtain due military aid from the United States as part of the overall U.S. strategy in the western Pacific.

This kind of suggestion is based on the fact that since the "17 August communique" in 1982, the United States has imposed qualitative and quantitative limitations on the sale of weapons to our country and has been reluctant to sell us new types of military aircraft. They thought that we must break this stalemate or otherwise the level of our arms and defensive capability would be adversely affected.

However, what is the practicability of this suggestion? We think that it is necessary to analyze and judge the merits of this suggestion. We shall discuss it first from the perspective of military sales to us.

As a matter of fact, F-16 fighters or similar fighters that we want are no longer the latest military aircraft as far as the United States itself is concerned. The United States has already supplied such fighters to its allies throughout the world in large quantities. In addition to its West European allies, those who received F-16 fighters include Israel, Saudi Arabia, Greece and Turkey in the Middle East. The United States has promised in principle to sell such aircraft to Jordan, pending formal approval by the Congress. In the Asian region, Japan, Korea and Pakistan have long had such aircraft. Thailand also received such aircraft recently. Now the United States has promised to sell such aircraft to Indonesia. Therefore, theoretically, the supply of F-16 fighters to our country by the United States should not pose any problem and is quite appropriate in view of the traditional relations between our two countries. Even the U.S. Congress and public opinion in the United States are in favor of supporting the U.S. Government in selling such aircraft to our country.

Nevertheless, the U.S. Government has for several years been reluctant to make any new decision on this matter and has been unwilling to sell any type of new military aircraft to our country. For a time, it was widely rumored that the United States would sell F5-G or F-15 fighters to our country but it did not become reality. Recently, some people have been saying that the United States will sell F-20 aircraft to us but this is still up in the air. U.S. difficulties and hesitation in selling us new types of military aircraft have mainly been due to the following two considerations: First, if the United States supplies us with a new type of military aircraft, the Chinese Communists will likely lodge a prompt protest. This will adversely influence their relations. The United States cannot tolerate this at a time when it is striving to expand relations with the Chinese Communists. Second, the U.S. policy toward the Taiwan Strait is to maintain a military balance and it is convinced that there is no need presently to supply our country with new types of military aircraft.

In the face of this difficult situation, people are offering various ideas. One idea is that we temporarily change our strategic concept. Instead of stressing our own needs, we can work for the interest of the overall U.S. strategy in the western Pacific and become a part of the U.S. strategic setup and work for the same great cause. In recent years, the Soviet Union has greatly expanded its influence in the western Pacific region.

In particular, it has obtained naval and air bases in Vietnam and stationed crack air and naval forces there. This has caused a great threat and annoyance to the United States and created difficulties for the U.S. position. Under such circumstances, if Taiwan -- which occupies an important strategic position in the western Pacific -- joins the United States in its overall strategy and shares the common task of containing the Soviet Union's expansion together with a number of other countries, everyone will benefit from this "cooperation." Under the major premise of jointly containing the Soviet Union, the United States will have a "proper reason" for selling all kinds of weapons to the Republic of China. The fulfillment of this joint task is a necessity and could easily result in a common understanding as a consequence.

However, in order to materialize this idea, the following three conditions must be met:

1. The U.S. containment of Soviet expansion in the western Pacific has the assistance of Japan and Korea in controlling the Tsugaru Strait and the Tsushima Strait in the north and has the assistance of Thailand, Singapore, Malaysia and Indonesia in controlling the Strait of Malacca and the Sidra Strait in the south (for this reason, the United States is planning to supply Indonesia with F-16 fighters). Then, will the United States still attach great importance to our strategic role in the Taiwan Strait and the Bashi Channel?

2. Under the major premise of jointly containing the Soviet Union, the United States may sell new military aircraft to us. However, the United States must first obtain an understanding from the Chinese Communists. This is apparently a very complicated matter. How can the United States solve all the disputes?

3. The current limitations on the United States regarding the sale of arms to Taiwan are based on the binding force of the "17 August communique." Can the United States remove such limitations if it supplies new types of military aircraft to us based on the need of joint efforts to contain the Soviet Union?

Therefore, the realization of this idea is still rather questionable despite its sound basis.

In short, in our opinion, the question of the United States selling us new types of military aircraft is not a question of our making demands or one of willingness or unwillingness on the part of the U.S. Administration. The main decisive factor is whether the military strength on both sides of the Taiwan strait can continue to maintain a balance.

Therefore, we are convinced that once the United States discovers a major improvement by the Chinese Communists in their military aircraft and combat effectiveness and their air superiority -- which threatens Taiwan's security -- the United States will naturally make efforts to raise the resistance strength of the Republic of China in order to maintain the military balance. It was reported that the United States has already sent a "Jian-8" fighter of the Chinese Communists back to the United States for study and is assessing the overall strength of the Chinese Communists. If the United States reaches a new assessment, it will soon supply our country with necessary new aircraft. This will be a necessary step based on U.S. policy.

DING LISONG DETAILS DIRECTION FOR SPECIAL ZONES

HK290725 Hong Kong WEN WEI PO in Chinese 26, 27 Jan 86 pp 1,2

["Special Interview" by reporter Kuang Yu: "Ding Lisong on the Direction for the Special Zones"]

[Text] [Editor's note] The national special economic zone conference has already concluded, but there are still repercussions and there is much conjecture among the people. Quite a few people are concerned about the following questions: What is the future direction for the Shenzhen special zone and Hainan Island; will the Shenzhen special zone's power be weakened; will the special zone administration line be given up in spite of its having been established; will the Shenzhen special zone become isolated from the world if its border and this line are both closed; how will the problem of "rushing to build guesthouses" that has cropped up in Shenzhen in the past few years be solved; and what has become of Lei Yu, former responsible person of Hainan Island, who was dismissed from office. This reporter has recently had an interview on these questions with Ding Lisong, deputy secretary general of the Guangdong provincial government office and director of the provincial special zone office. I have sorted out his answers to the questions as follow. [end editor's note]

Question: Some people believe that since the national special economic zone conference, Shenzhen's power, including the power to examine and approve contracts, has been reduced. Is this true?

No Change in the Limits of Authority To Examine and Approve Contracts

Answer: There has been no change in the power to examine and approve contracts, but the Shenzhen Special Economic Zone is required to do the following: 1) before giving approval, it should report to the upper level and after giving approval, it should keep records in its files; and 2) the approval of relevant provincial and state departments is necessary when signing contracts concerning the domestic sale of products. This is mainly out of consideration for the state's macroeconomic control because the special zone is closely related to the hinterland. This is also a conclusion that we have drawn through summing up our experiences in opening up to the outside world in the past few years. Shenzhen should also subordinate itself to the interests of the country in totality and control the transference for sales of imported goods and light industrial products from it to the hinterland. However, allowance should be appropriately given for the sale of these goods within the special zone. This will be conducive to reducing the special zone's consumption of foreign exchange and enable it to spend more of its foreign exchange importing equipment and raw materials.

Entirely Opening the First Line Is Impractical

Question: The Shenzhen Special Economic Zone administration line will be formally put into operation in the first half of this year. What good measures do the authorities have to solve the problems related to "introduction from abroad and cooperation with the hinterland?"

Answer: We already have a new plan at present. The first line of the special zone (the border with Hong Kong) will continue to maintain the status quo rather than carrying out the original planned idea of entirely opening the first line and strictly controlling the second line (the border between the special zone and non-special-zone areas). The commodities that go across the line from the special zone to the hinterland will be taxed at a rate of 50 percent of the rate of tariff at national borders. The second line mainly performs the function of checking the goods that go across the line.

The current practice of hinterland people having to show border passes in entering the special zone will continue. This will facilitate not only contacts between the special zone and the hinterland, but also prevent the products of the special zone and the foreign goods imported by it, from flooding the hinterland market. Therefore, this practice will not yield any unfavorable impact on "introduction from abroad and cooperation with the hinterland."

For example, goods that are carried into the special zone from the hinterland and that have certificates attached with the source of origin, will not be checked at the second line. Only those goods carried from the special zone to the hinterland need be checked and strictly controlled.

Question: Who will be in charge of the second line? Will the depression in Shenzhen market be aggravated after the second line of the zone is established.

The Second Line Will Be Administrated by the Provincial Government

Answer: Trial administration of the second line for Shenzhen has been carried out for some time since last year and the line will soon be put into formal operation. In the future, the State Council will entrust it to the charge of Guangdong Province.

Shenzhen market will not be affected by the establishment and operation of the second line. In the future, we will not restrict the growth of the number of people who enter the special zone from the hinterland. If there is any impact on the Shenzhen market, it must be the impact of other factors for example, the extent of restriction on the commercial sector wholesale business in importing goods to the hinterland. However, in fact, the development of commerce in Shenzhen in the past failed by a large margin to be suitable for the development of the special zone. Quite a number of people believe that for some time to come, certain phenomena of depression are perhaps unavoidable in Shenzhen. However, as long as the special zone is determined to follow the path of developing its productive forces, when the number of factories and enterprises set up in the special zone increases, the contacts between it and the hinterland will intensify and this will promote market prosperity.

Question: Why is there no administration line in Zhuhai special zone near Macao or in Shantou special zone?

Answer: First, this is a conclusion drawn by summing up the establishment of the second line in Shenzhen special zone. The state's investment and daily expenditure is large when establishing a second line. Second, the original tentative idea was that the first line would be opened entirely while the second would be strictly controlled, but now this does not seem practical enough. Therefore, the idea has been put forth that in Zhuhai and Shantou no second line is to be established. However, this does not mean that we should not check or control the goods that are carried from the two special zones to the hinterland. The methods of checking and control in other special zones are the same as those in Shenzhen. Shantou and Zhuhai have adopted the method of sending customs staff to factories.

Question: Will the control of the second line in Shenzhen be favorable to investment by foreign businessmen?

Answer: I think that it is favorable rather than unfavorable. At least it can ensure the legitimate rights and interests of foreign businessmen in carrying out decent undertakings. Although approval has to be acquired before the products of enterprises with foreign capital can sell their products in our country, we have adopted some measures. For example, if the terms of sale, price and quality of their products are the same as the foreign goods that the hinterland imports, priority is to be given to allow the products of foreign capital to enter our domestic market. We call this "substituting home-produced goods for imported goods."

Will Shenzhen Have More Difficulties in the Future?

Question: Will it be more difficult for Shenzhen, as opposed to other special zones, to transform into an externally-oriented economy with industry as the core?

Answer: For all the special zones, we have a general requirement, which asks them to grasp their economic results, improve their level, and strive to develop externally-oriented enterprises. Over the past few years, the Shenzhen special zone has concentrated its strength on its capital construction and created a satisfactory investment environment. At the same time, it has also conscientiously grasped the work of introduction from abroad and cooperation at home. Various central industrial departments and some provinces and cities have already established a number of enterprises, and a large number of enterprises are being established. This is the foundation for "introduction from abroad." I believe that with this foundation, it is not as difficult as is imagined to develop externally-oriented enterprises in Shenzhen. The crux of the matter is that those who work in the special zone should overcome the difficulties in a down-to-the-earth manner and try to develop externally-oriented enterprises.

The Practice of "Rushing To Build Guesthouses" Should Be Stopped

Question: Over the past years, there has been a "rush in building guesthouses," and it seems the market is now saturated. Have the authorities noticed this extreme tendency?

Answer: There has been excessive construction of guesthouses not only in Shenzhen but also in Zhuhai. The rate of occupancy in some guesthouses makes them unprofitable. The two special zones have already paid attention to organizing sources of travelers from home and abroad and at the same time are developing some recreational sites with small investment to attract tourists.

It is also necessary to suspend or delay the construction of a number of guesthouses and comprehensive buildings that hinterland areas are building in the special zones.

What Should Be Done for Hainan Island in the Future?

Question: Since the emergence of the "Hainan Island automobile resale incident," the investment confidence of foreign businessmen seems to have been affected. Have the authorities taken any remedial measures?

Answer: It is a pity that this incident has smeared China's image in opening up to the outside world. However, the CPC Central Committee has not changed the principles and policies toward the opening up of Hainan Island. The various central departments will continue to support Hainan Island according to the previously formulated plans, including those related to the island's port, railway and energy development. Hainan Island's development should be focused on exploiting tropical, aquatic, and mineral resources, and it is expected that there will be utilization of natural gas in the future. Recently, the state stressed vigorously developing tourism. Sanya in the south of Hainan Island is a winter tourist city. As long as the people there correctly implement the central authorities' principles, and as long as they step up their work to create a satisfactory investment environment, the island will continue to be very attractive to Hong Kong, Macao and foreign countries.

Question: What is the situation like on Hainan Island now?

Answer: An internal consolidation is being carried out there now. At the same time, the island is reformulating its economic development plan and focusing on using local resources in introducing foreign technology and opening up to the outside world.

The island should also develop cooperation at home in order to introduce the technological force and skilled workers from the hinterland to the technical contingent on Hainan Island.

Lei Yu Is Working as an Official in Conghua County

Question: It is said that Lei Yu, former responsible person on Hainan Island, is now working as an official in Conghua County. Is this true?

Answer: He is now deputy secretary of Conghua County CPC Committee.

Question: The new Shenzhen-Luohu Joint Customs Building will be purchased by the state. What is your opinion on this?

Answer: This building involves many complicated problems. Of course, the state should manage it. As for ownership over the building, negotiation is under way.

Question: According to foreign news agency reports, Deng Xiaoping has recently been to Shenzhen. What is his view of the special zone?

Answer: As far as I know, from last year to the beginning of this month, Chairman Deng did not visit Shenzhen.

INTERVIEW WITH SHENZHEN'S LI HAO, ZOU ERKANG

HK270759 Hong Kong KUANG CHIAO CHING in Chinese No 160, 16 Jan 86 pp 6-9

[Report by Li Kuo-chiang: "Shenzhen Mayor Li Hao Exclusively Interviewed by This Magazine's Reporter" -- capitalized passages published in boldface]

[Text] WILL CHINA'S POLICY TOWARD THE SPECIAL ECONOMIC ZONES CHANGE DRASTICALLY?

What course will Shenzhen follow? Is China now "tightening its policies? Will China's opening up policy change? These are the questions that those who take great interest in China's affairs in other countries and those who do business with China are paying close attention to.

Just as the new year rang in, the 10-day long work conference on the special economic zones ended on 5 January. Attending the meeting were the governors and CPC Committee secretaries of Guangdong and Fujian Provinces, and responsible persons of the 4 special economic zones and the 29 departments and committees of the State Council. It has been learned that the meeting discussed the strong and weak points of the special economic zones, stressed the importance of developing the export-oriented economy, and called for "attaining a yet higher goal." However, what on earth is the inside story of the meeting? Is there anything special that caused the meeting to be held at this moment? Did the meeting work out any new plans for the special economic zones? And will any changes take place in these zones? Obviously, vast numbers of our readers are interested in these questions.

WHAT ON EARTH IS THE INSIDE STORY OF THE MEETING?

The contents of the work conference on the Shenzhen Special Economic Zone was not further disclosed. Therefore, we had no alternative but to interview authoritative persons who attended the meeting, if we wanted to know about the developments in Shenzhen and the new trends in China.

So we decided to interview Shenzhen Mayor Li Hao and General Secretary of the Shenzhen Special Economic Zone Zou Erkang. We hoped we could find out about the whole situation of the meeting from them and lose no time in reporting to our readers.

Early on the morning of 7 January 1986, the temperature dropped to 9 degrees centigrade. Accompanied by Li Yizhong, head of a certain department of Shenzhen City, Li Yuechan, our assistant editor, and I drove from Kowloon and crossed the border at Wenjingdu. It was still early in the morning when we reached Shenzhen.

QIAN JIAJU'S WIFE'S HANDBAG WAS SNATCHED

In the Shenzhen City government building, Lu Zufa, deputy general secretary of Shenzhen City and chairman of the city's economic societies, and Qiu Junyao, deputy director of the Research Office of the Shenzhen Special Economic Zone, gave us a brief account of the recent situation in Shenzhen. Referring to public security and criminal activities in Shenzhen, they quoted a case which "interested" us, saying that one day when the wife of Qian Jiaju, well-known Chinese economist whom we also knew, was shopping in the streets, her head was suddenly covered by a towel and her handbag was snatched. That handbag contained foreign currencies including Hong Kong dollars, deutschemarks, and greenbacks. This was money given to her by Lao She's wife, Hu Jiqing, to buy something for her children. Lu Zufa said that at 2300 that day, the Shenzhen Public Security Bureau found clues to solve the case and the criminal was arrested at Taiping town, Dongguan County at 0030 the next day. The handbag was returned to the owner in good condition. The criminal came from Guangxi. He pointed out: Generally speaking, public order in Shenzhen is good and the crime rate is not too high. Seventy percent of the criminals are from other parts of the country, 20 percent come from Hong Kong, and only 10 percent are local residents.

LI HAO AND ZOU ERKANG ARE INTERVIEWED

At 0900 on 8 January, we met Li Hao, vice governor of Guangdong Province and mayor of Shenzhen, and Zou Erkang, a member of the Shenzhen City CPC Committee Standing Committee and chief information spokesman of Shenzhen at the city's government building. The interview covered a wide range of topics. All answers to our questions were candid and concrete. In the words of Zou Erkang, they "did not evade" any questions fired at them.

Reporter: Was there any special purpose for China holding such a large-scale meeting on the work of the special economic zones?

Li Hao: The meeting was very important and timely and very good as well. In the past few years, the central authorities have held a meeting of Guangdong and Fujian Provinces every year. To the best of my memory, such meetings were held yearly from 1979 to 1984. However, the recent meeting specially discussed the work of the special economic zones as a whole. So it was not a meeting of the two provinces but a meeting on the work of the special economic zones. It was a routine meeting (once a year) but it had something special. We say this important meeting, coming as the country completes the Sixth 5-Year Plan and starts the seventh, is different from the ordinary ones because we should "attain a yet higher goal" and develop an export-oriented economy. The meeting was attended by leaders and responsible persons of all departments and responsible persons of departments under the State Council, including those of the special economic zones. This indicates that the central authorities take very seriously the work of the special economic zones and have a deeper understanding of the role of these zones in our "four modernizations." Since this is so, the central authorities have to help sum up experiences, analyze the current situation, identify and tackle problems early, and give necessary support and cooperation. If the work of the special economic zones was not important, the central authorities would not have done this.

LI HAO SAYS: THE MEETING SOLVED PROBLEMS MORE CONSTRUCTIVELY THAN I EXPECTED

Reporter: How did the meeting on the work of the special economic zones go?

Li Hao: State Councilor Gu Mu himself presided over the meeting and the atmosphere was lively throughout. Participants in the meeting definitely affirmed the achievements made by the special economic zones in the past few years; analyzed outstanding problems, difficulties, and contradictions realistically; and achieved unity of thinking about things to be done in the future. All the central departments concerned have had a better understanding of some problems related to their policy-making and daily work. The meeting solved many problems more constructively than I expected. All this will bring about a great advance in the work of the special economic zones. Of course, we cannot say that all problems have been resolved, but we have made headway on most of the major issues. For example, the central authorities have realistically considered our problem of having insufficient loans after they tightened macroeconomic control. This shows that the central authorities support the special economic zones. I think that our chief information spokesman, Zou Erkang, will have some points to add.

Zou Erkang: The recent meeting on the work of the special economic zones was the largest we have ever held. It was held in Shenzhen, not in Beijing as before. It lasted 10 days. We held meetings and discussions in the morning, and made visits and inspections and examined our work in the afternoon. We adopted the method of "dissecting a sparrow" in analyzing the work of the Shenzhen Special Economic Zone because it is larger than the others and its work might exert great influence. Therefore, responsible persons of all departments came to the meeting to give their views and devise solutions to problems. We started building the Shenzhen Special Economic Zone 5 years ago, also in the first year of the Sixth 5-Year Plan. It has now rung in its sixth year and also entered the first year of the Seventh 5-Year Plan. At this crucial moment, we put forward the guiding ideology of "attaining a yet higher goal." Over the past few years, the Shenzhen Special Economic Zone has laid a foundation and achieved successes, but it also came across many new problems. What is the future objective of Shenzhen and what measures should be taken to attain the objectives? Some measures should be taken by Shenzhen itself and some should be adopted with the help of the province and the central authorities. We should pool the wisdom and efforts of everyone to make a success of the special economic zones, which in turn will be of service to the whole country. The central authorities are determined to run the special economic zones successfully. The meeting has made us much more confident. We know we still have difficulties but we have seen a bright future.

Repotter: What is the bright future?

Zou Erkang: This means that the meeting has set encouraging demands that the Shenzhen Special Economic Zone has to attain by 1990 or even by the end of this century.

Reporter: What are the demands that the zone has to fulfill by 1990?

IN BUILDING THE SPECIAL ECONOMIC ZONES, WE SHOULD NOT CONSIDER ONLY THESE ZONES BUT ALSO THE COUNTRY AS A WHOLE

Zou Erkang: As Gu Mu said, the Shenzhen Special Economic Zone should attain the demands of laying stress on exports and earning more foreign exchange, giving full play to the role of "four windows" (the window of technology, the window of management, the window of knowledge, and the window of foreign policy) and the role of the economy "fanning out in two directions," and striking a balance between foreign exchange receipts and expenditures and even have a surplus.

Before 1990, we will strive to attain the demands of earning more foreign exchange through exports, the "four windows" and making the economy fan out in two directions, and we hope we will do better in some aspects. If we take the whole country into account, we should give full play to the role of the "four windows" and the role of "making the economy fan out in two directions." This will do much good for the whole country, and for the Shenzhen Special Economic Zone too. We must not fix our eyes only on the special economic zone, we should also look at the country as a whole as well as Hong Kong. In the words of Gu Mu, Hong Kong and Shenzhen supplement each other and they think and act in one and the same way.

Reporter: Will it be easy to attain the target of the "four windows" by 1990?

Zou Erkang: It will not be easy to reach the target. If we import ordinary technology alone and not advanced ones, we can hardly build the window of technology. Meanwhile, we must absorb good foreign experiences in management as much as we can to advance our "four modernizations" and stimulate reform in various field. Knowledge is the key to economic construction and we must introduce more useful knowledge to the whole country through the window of Shenzhen. In saying that "the economy fans out in two directions," we mean that it should fan out to other parts of our country and abroad as well. This also calls on us do a lot.

Reporter: Can you tell us the figures for the foreign exchange earned through exports in 1985? Can you estimate the figures for 1986 and even for 1990?

Zou Erkang: Gu Mu said that we expect that 60 percent of our manufactured goods will be exported by 1990. Now about 40 percent are exported. It is estimated that Shenzhen's industrial output value in 1985 amounted to about 2.5 billion yuan. Forty percent of it was export goods, and most of these goods were produced by enterprises built with foreign funds, Overseas Chinese capital, and Hong Kong capital.

GU MU SAYS: A CENTRAL DOCUMENT SHOULD BE ISSUED

Reporter: After the meeting, will any further measures be taken?

Zou Erkang: The measures are quite clear. Gu Mu said that we should prepare a document to submit to the central authorities for approval. Then we will do everything by the guidelines in the document. We may therefore say that this meeting was a very important one in the history of the special economic zones.

AN IMPORTANT MEETING IN THE HISTORY OF THE DEVELOPMENT OF SPECIAL ECONOMIC ZONES

Li Hao: As a result, after the meeting, we have become more confident, have a clearer aim, and work in a more coordinated way. This will play a great role in the future work.

ZOU ERKANG WAS ALSO ONCE ASKED BY A FOREIGN EXCHANGE SPECULATOR: "DO YOU HAVE HONG KONG DOLLARS TO CHANGE?"

Reporter: What is the situation in the foreign exchange balance in Shenzhen?

Li Hao: As I wasn't in Shenzhen last year, maybe it is a little bit subjective to talk about it. During a certain period of 1984 and 1985, there was great demand for foreign exchange; and the black market speculation was so wild that as soon as you stepped out of the Shenzhen railroad station, you would be asked "Sir, do you have Hong Kong dollars to change?"

(Zou Erkang chipped in: I was also once asked by a foreign speculator: "Do you have Hong Kong dollars to change?") Because of the Hainan Island incident as well as the speculative buying of foreign exchange in Shenzhen, outsiders got the impression that Shenzhen was a place consuming foreign exchange. Was this right? To some extent, it was right. Why? At that time, as no control was exercised over the importing of some consumer goods and large commodities, the demand for foreign exchange exchange was very strong. At present, following the adoption of measures, the problem of an imbalance in foreign exchange is not as serious as what outsiders imagined; and after the elimination of the abnormal factors, the black market dealings in foreign exchange were greatly reduced. This is because the abnormal demands have decreased, management has been strengthened, and more importantly, the normal foreign exchange revenues and expenditures in Shenzhen have become balanced. I think that through our efforts we can strike the foreign exchange balance required by State Councilor Gu Mu before 1990. However, at present foreign exchange from trade still lags behind. This means that it is not enough just to rely on the 40 percent of export output value to import the means of production and equipment, including market materials. Nevertheless, we still have nontrade foreign exchange and profits from tourism and other aspects which have almost been balanced. I think that through our efforts, we may strike a balance within this year.

FOREIGN EXCHANGE IN SHENZHEN MAY STRIKE A BALANCE WITHIN THIS YEAR

Zou Erkang: The state does not subsidize us with much foreign exchange. What was the reason behind the great disturbance about foreign exchange not long ago? In the latter half of 1984 and the first half of 1985, the incident or reselling cars at a profit occurred in Hainan Island. As Hainan Island and some regions and units which went to Hainan Island to resell cars at a profit needed foreign exchange, they carried renminbi in gunnysacks to Shenzhen to rush to purchase Hong Kong dollars at very high prices. As long as there were Hong Kong dollars to be purchased, they were willing to offer any high price, at exchange rates of 100 Hong Kong dollars to 50, 60, 70, 80 or even more yuan. As a result, a stir was created immediately. At the beginning, as we did not pay enough attention to it, some units in Shenzhen were also involved. Later, after discovering the problem, we adopted stringent measures including criminal sanctions. Following the strict administrative measures enforced around the railway station and the square, the tumult basically subsided, and now the relatively normal exchange price has been maintained on the market. (Giu Junyao: The exchange rate at present is 100 Hong Kong dollars to 58 or 60 yuan.) In the future, we shall continue to adopt stringent administrative system against speculative buying.

Reporter: Is China going to move a number of enterprises in the interior which can earn foreign exchange through the export trade to Shenzhen in an effort to increase the export trade of Shenzhen?

WILL CHINA MOVE FACTORIES IN THE INTERIOR WHICH CAN EARN FOREIGN EXCHANGE THROUGH THE EXPORT TRADE TO SHENZHEN? WHY IS IT NECESSARY TO PROMOTE THE INTRODUCTION OF ADVANCED FOREIGN TECHNOLOGY AND STRENGTHEN COOPERATION WITH UNITS IN THE INTERIOR?

Li Hao: I think that I should explain the question of promoting the introduction of advanced foreign technology and strengthening cooperation with units in the interior. Some people think that it seems that we need a pot of flowers to decorate a flowerless room. This is a misunderstanding of us as well as the vitality of "promoting the introduction of advanced foreign technology and strengthening cooperation with units in the interior." Originally, Shenzhen was only a small town with a population of over 20,000 and without an industrial basis, not to mention technical forces.

Shenzhen owes its development to the role of the principle of "promoting the introduction of advanced foreign technology and strengthening cooperation with units in the interior." Being a special economic zone, the role of Shenzhen is not just to build a city, but to open up to the outside world, promote the building of the four modernizations in the interior, and build socialism with Chinese characteristics. To be specific, it should play the "role of four windows, introducing technology, management, knowledge and foreign policy." According to more complete official wording, it could be summarized as: a base for training qualified people, an experimental ground for reform, and a region for scientific and technological research at the appropriate time. These "three roles" do not purely benefit Shenzhen. To play the role of a window, we cannot only depend on the window itself, but also we should see whether the window can be opened both inwardly and outwardly. Nor should the base for training qualified people only meet the needs of one place, but rather it should train qualified people for the whole country. The same for its role as an experimental ground for reform. As long as Shenzhen's reform is significant for the whole country, it is an experimental ground. Therefore, the relations between Shenzhen and the rear are very close. In sum, Shenzhen's main role is to rely on and supplement the whole country. At present, after reaching a common understanding, people have all come to attach importance to and make use of this window, and we have also further clarified the need of relying on the interior. Recently, every ministry has sent people here to run enterprises and set up windows which means that they have a better understanding of Shenzhen. This is a good thing and will exert far-reaching influence in the future. By doing so, it does not mean that we do not need contacts with the outside world. But rather, we can expand our contacts with the Hong Kong and Macao markets as well as the international market.

By doing this, we can also further raise the efficiency and effectiveness of our cooperation with the outside world. Why was Shenzhen able to develop so rapidly over the last 5 years? The source of our strength lies exactly here. This point is very important. If the strength of Shenzhen is integrated with the strength of the interior and the outside world, we can quicken Shenzhen's economic development as well as its cultural and scientific and technological development. This is where our confidence is created.

Reporter: If the enterprises in the interior with which Shenzhen should strengthen its cooperation are moved to Shenzhen, will production and wage costs be increased?

Li Hao: That is another question. In the future, Shenzhen should pay attention to the investment environment and bring the increase in some expenses and costs under control. We should always attach importance to these, as in the many lessons from other countries, such as Singapore, the West European countries, and so on. The West European countries have done too many welfare things. Singapore's recent economic difficulties are due to two causes: First, public welfare was overemphasized; and second, there was a lack of research and development capability. At present, Singapore has adopted many measures to solve this problem.

From now on, the Shenzhen Special Economic Zone should also strive to raise production and work efficiency. Various expenses should be increased in a planned way and along with the increase in labor productivity. Otherwise, we shall lose our superiority and competitiveness.

Reporter: What do you mean by saying various expenses?

Li Hao: I mean wages, welfare expenses, land fees, and all the other expenses.

Reporter: Will the morale of the workers and staff be affected by this change?

Li Hao: Though I do not worship Japan, I think that Japan has something worthy of being studied. According to some statistics in their weekly work hours, industries spirit, and work efficiency, in terms of the proportion of labor productivity to wages and welfare facilities, Japan only accounts for one-half of that of the United States, while their wage levels are close to those of the United States and their work efficiency is very high. Therefore, we should not compare things only in terms of wage levels. We should judge things by work efficiency, because it is justifiable to get high wages for high labor efficiency.

As Zou Erkang said just now, we are not expanding Shenzhen's exports at the expense of the interior's exports. Moving the export factories in the interior to Shenzhen, does not mean that the interior will lose all these factories, but rather, that Shenzhen and the interior will cooperate and integrate their information, strength, and some capital, equipment, and so on, which will not harm the interior but only draw advantages to it. Therefore, this cooperation is mutually beneficial. Beside the economic benefits derived from it, the most important is that we can learn advanced management methods and technologies, while technical personnel can be trained.

Zou Erkang: As our country's technology still lags behind that of the advanced countries, it is necessary to carry out the modernization drive. Even after the factories in the interior are moved to Shenzhen, the window still belongs to China.

Reporter: So far, what factories and enterprises are going to move to Shenzhen?

Li Hao: Zou Erkang is more familiar with this. And he will give you a detailed briefing in a while.

THE FUTURE RELATIONSHIP BETWEEN HONG KONG AND SHENZHEN

Reporter: How do you view the future relationship between Hong Kong and Shenzhen? How will Shenzhen cooperate with the industrial circles in Hong Kong while avoiding the sharp competition between them? How will Shenzhen shun the expansion of Hong Kong's backward industries?

Li Hao: Before I came to Shenzhen, I was very much concerned about the future relationship between Hong Kong and Shenzhen in Beijing. To make the work of Shenzhen a success, it is necessary to handle well three relations: First, to depend on the central authorities's policies which are generally clear and definite; second, to handle well relations with Guangdong Province; third, to handle well its relations with the outside world, in particular Hong Kong and Macao. It is imperative to strive to do some work, so as to truly do well the work of promoting the introduction of advanced foreign technology and strengthening cooperation with units in the interior. The decision on the Shenzhen Special Economic Zone involved this factor. Though I do not know much about things in Hong Kong and Macao, not to say specific things, I am very much concerned with them. I attach great importance to the West European countries and the United States, as they are technologically more open and have a better basis for cooperation with us. However, the first stop should be Hong Kong and Macao, as people who have come to Shenzhen to make investments and run factories are basically from Hong Kong and Macao. During the first few months of last year, there were many opinions about Shenzhen in Hong Kong, but most Hong Kong Chinese capital has still not been withdrawn.

At a meeting held last year, I talked about two objectives: first, to develop Shenzhen's outward-type economy and construct well the Shenzhen Special Economic Zone, which is a task assigned to us by the central authorities as well as an important step in our four modernizations drive as a whole; second, to maintain Hong Kong's prosperity and stability, which is also the objective of the CPC Central Committee as well as our task.

In handling our relations with Hong Kong well, we make our decisions based on attaining these two objectives.

On this note, our interview relating to the special economic zones work conference ended.

During the whole interview, we felt that Li Hao was cool-headed, analytical, and willing to listen to different opinions. Before we parted, I introduced Miss Li Yuechan, a colleague sharing the interview with me, to Mayor Li Hao, saying that "she has a masters degree from Hong Kong University. After graduation, she joined our publishing agency studying economic issues." Mayor Li smiled and said that she was welcome to work in Shenzhen. Although this was a joke, it could actually reflect his work style of not sticking to one pattern to employ people and his feeling of desperately seeking talented people for the special economic zone.

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INTERNATIONAL DEFENSE EXHIBIT OPENS IN BEIJING

OW281243 Beijing XINHUA in English 1118 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- More than 160 manufacturing firms from around the world are displaying defense equipment at an exhibition which opened here today. [Tokyo KYODO in English at 1035 GMT on 28 January in a similar report adds: "On display were aircraft, missiles arms control systems, battle tanks, troops trucks and firearms, most of them mock-ups"]

Participating companies include Boeing, Bell Helicopter, MBB, Siemens, Marconi, GEC, Aerospatiale, and Daussault. The firms represent Austria, Canada, Finland, France, the Federal Republic of Germany, Great Britain, Italy, Japan, the Netherlands, Poland, Singapore, Spain, Sweden, Switzerland, the United States and Hong Kong. In addition to the exhibition, seminars on some 40 subjects will be held.

The show, the first of its kind ever held in China, was organized by China Promotion Ltd. Co. of Hong Kong. Minister of Ordnance Industry Zou Jiahua cut the ribbon at the opening ceremony. Also present were Hong Xuezhi, director of the General Logistics Department of the Chinese People's Liberation Army; Jia Shi, chairman of the China Council for the Promotion of International Trade; and senior officials from the Ministries of Aviation Industry, Astronautics and other departments. The exhibition will close on February 2.

ZHAO ZIYANG MEETS PERUVIAN, CONGOLESE ENVOYS

OW281109 Beijing XINHUA in English 0914 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- Premier Zhao Ziyang met with Roberto Villaran Koechlin, new Peruvian ambassador to China, and Jean Claude Ganga, the outgoing Congolese ambassador to China, on separate occasions here today.

SOVIET, ITALIAN COMMUNIST LEADERS HOLD TALKS

OW290840 Beijing XINHUA in English 0640 GMT 29 Jan 86

[Text] Moscow, January 28 (XINHUA) -- Soviet Communist Party leader Mikhail Gorbachev and the General Secretary of the Italian Communist Party Alessandro Natta held talks on international problems here yesterday and today. According to a TASS report, the talks were held in a "frank" and "sincere" atmosphere.

The report said that the two sides stressed the need to exert every effort to turn back the arms race, to prevent the militarization of outer space and to get concrete results in balanced and verified reduction of nuclear and conventional armaments. They also agreed on the need to reach a balance of military forces in Europe. The two party leaders also said that it would be useful to establish constructive relations in different areas between the Council for Mutual Economic Assistance and the European Economic Community. This would mean a considerable contribution to the development of the policy of cooperation in Europe. Both sides agreed that the development of relations between the two parties would also promote better relations between the two countries.

At a dinner given by Gorbachev in honour of the Italian Communist Party general secretary today, Gorbachev said: "We should look ahead into the future, taking along into it only what has stood the test of the times and leaving behind without regret what stands in the way of more concerted and efficient work. It is from this assumption that the CPSU proceeds".

He continued: "There remain differences between our parties in the evaluation of various problems, events and facts. This is natural. And this makes fraternal dialogue between the CPSU and the Italian Communist Party, between communist parties in general all the more valuable and necessary."

GATT BEGINS PREPARATIONS FOR WORLD TRADE TALKS

OW280732 Beijing XINHUA in English 0638 GMT 28 Jan 86

[Text] Geneva, January 27 (XINHUA) -- A preparatory committee of the 90-member General Agreement on Tariffs and Trade (GATT) began work here Monday on a proposed new round of world trade negotiations that may begin later this year. Seventy of the GATT members attended Monday's meeting, which is to work out recommendations for the negotiations to be submitted to a GATT ministerial meeting scheduled for September.

Although most of the members agreed on the need for a new round of trade negotiations, the agenda for the negotiations has been an issue of controversy. One of the main obstacles is whether to include service sectors in the negotiations. The United States and other industrialized countries want the talks to cover the service sector, but some developing nations including Brazil and India, are opposed. No formal decision was made at Monday's meeting.

The latest round of world trade talks under GATT's auspices was held in Tokyo in 1982. China has not participated in GATT since 1950 but it has been increasingly taking part in GATT activities in recent years. GATT members now account for nearly all world trade with China. Earlier this month, when GATT Director General Arthur Dundel was in Beijing, Chinese Premier Zhao Ziyang told him that China hopes to resume its GATT membership.

U.S., USSR, JAPAN SIGN AIR SAFETY ACCORD

OW290832 Beijing XINHUA in English 0718 GMT 29 Jan 86

[Text] Tokyo, January 29 (XINHUA) -- The pact signed by Japan, the United States and the Soviet Union on ensuring the safety of civil aviation over the northern Pacific went into effect today, Japanese KYODO NEWS SERVICE reported. Under the pact, a communication network involving three air traffic control centers to be installed in Tokyo, Khabarovsk in the Soviet Far East and Anchorage, Alaska will be set up to avoid a repetition of the 1983 Soviet downing of a South Korean airliner in a tragedy that killed all the 269 people on board.

The accord calls for precautionary measures against such an incident to be implemented by the end of August. The accord was signed in Washington on November 19 last year after a series of discussions by the three countries in Tokyo, Washington, and Moscow.

UNITED STATES

CLOTHING COMPANY OPENS OFFICE IN SHANGHAI

OW301536 Beijing XINHUA in English 1511 GMT 30 Jan 86

[Text] Shanghai, January 30 (XINHUA) -- Dorden Far East, a branch of Lloyd Williams, a U.S. women's garment manufacturer with annual sales of 100 million U.S. dollars, opened its Shanghai office today. Although their high quality of work and low labor costs have made Shanghai's silk factories a source of imports for at least 10 U.S. clothing companies, Lloyd Williams is only the second to open an office here, following Liz Claiborne, another major U.S. maker of women's clothes.

According to Liu Xinghua, manager of the local operations for Lloyd Williams, 60 percent of the company's production is now done by 11 factories in Shanghai. Shanghai's trade with Lloyd Williams was 10 million dollars last year, he said. "I expect it to reach 15-20 million dollars this year." The company's embroidered silk and polyester imitation silk shirts have "fascinated women in the states," Liu said. Products of the Shanghai venture, which tend to be sold in high-priced stores, are being sent to Canada and Japan as well as to the United States, Liu said, He said Lloyd Williams has agreed to train senior fashion designers in Shanghai.

DEFENSE DEPARTMENT GIVES TOP PRIORITY TO SDI

OW300924 Beijing XINHUA in English 0840 GMT 30 Jan 86

[Text] Washington January 29 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger, in his latest long-range planning directive to the military, has raised the star wars program to the "highest priority" among the Pentagon programs, AP reported today quoting Pentagon officials. The defense guidance, signed by Weinberger on Dec. 31, 1985, is a secret document. But several of Weinberger's top deputies, including Under Secretary of Defense Fred Ikle, confirmed details of the directive. "The Pentagon's willingness to talk about the directive apparently was an effort to reemphasize Reagan's commitment to the star wars plan in the face of Soviet demands that the program be scrapped", the AP report said.

The guidance is the basic document used by the military services in devising their long range programs. Since Weinberger issued his first defense guidance in 1981, the top priority has been assigned to what is known as strategic modernization in the production of modern nuclear weapons such as the MX missiles and the B-1 bomber. The Dec. 31 guidance document maintains that emphasis, but adds SDI at the same level. "The highest priority is assigned to the President's strategic force modernization program...SDI (rpt SDI) shares this priority", the document says. In the last guidance document, issued in April 1985, Weinberger did not rank the star wars plan among the Pentagon's top priorities, although he wrote that the Pentagon would actively carry on its research program. The star wars program, known formally as Strategic Defense Initiative, or SDI, will receive 2.75 billion dollars in the fiscal year 1986.

SHULTZ VOICES SUPPORT FOR NICARAGUAN CONTRAS

OW290953 Beijing XINHUA in English 0713 GMT 29 Jan 86

[Text] Washington, January 28 (XINHUA) -- U.S. Secretary of State George Shultz today voiced his support to the program by the Nicaraguan anti-government forces to remove the present legal government in Nicaragua.

Soon after meeting with three leaders of the United Nicaraguan Opposition this afternoon, Shultz issued a statement saying that the statement by the United Nicaraguan Opposition released last week in Caracas is a program very much in keeping with the so-called "democratic trend" which the U.S. Government "strongly supports." One State Department official said that the Reagan administration is going to persuade Congress to provide the Nicaraguan anti-government forces with up to 130 million dollars a year, with 100 million dollars in military aid, and the rest in "non-lethal" assistance. Last year, the United States only provided 27 million dollars to the Nicaraguan rebels.

CLUES SOUGHT IN CHALLENGER EXPLOSION

OW301105 Beijing XINHUA in English 0724 GMT 30 Jan 86

[Text] Washington, January 29 (XINHUA) -- U.S. experts are now searching for clues to the cause of Tuesday's explosion aboard space shuttle Challenger and the death of seven people in the world's worst space disaster. However, it is perhaps the most difficult problem to solve. An investigation team held its first meeting today to start the long inquiry into the explosion of the 1.2-billion-dollar shuttle.

Since yesterday, eight ships, including four Coast Guard cutters, and nine airplanes search the 50-by-100 mile rectangle area where Challenger's wreckage fell in the Kennedy Space Center in Florida. So far 600 pounds of metal and tiles from Challenger have been pulled from the Atlantic Ocean. The largest remnant was a chunk of metal 12 feet by 4 feet. Experts are now impounding every bit of data for clues to the death of five men and two women aboard the 100-ton shuttle. According to transcripts from the control center, before the explosion, no flaw had been found and the astronauts had no warning of impending explosion. The debris collected by this afternoon did not include clothing or personal effects of the seven crew.

The search for debris is still going on, and Coast Guard officials have warned people not to touch any wreckage they might find from the shuttle, because if anyone touched the green canister that fell from the shuttle, the person would die in two seconds. No one said what was in the canister. There were also several things aboard the Challenger that potentially could be deadly.

NASA officials refused to speculate on the possible cause of the explosion, and some said it might never be found. Experts estimated that a leak or crack in one of the shuttle's twin solid rockets was a possibility. Or a rupture in the shuttle's liquid fuel tank, a huge pressurized canister brimming with a half-million gallons of liquid hydrogen and oxygen. Some engineers speculated that metal fragments might have splintered off the giant turbines, or pumps, that drive the liquid gases to the shuttle's main engines, ultimately leading to the explosion. The investigation could take months. NASA announced there will be no more shuttle flights until investigating teams have made their report and corrective actions are taken.

The tragedy will slow down the U.S. space program, which has scheduled 15 shuttle flights this year. The loss of Challenger will have a "serious" impact on the U.S. Defense Department's space program, jeopardizing long-planned schedules for deployment of a host of spy, weather and navigational satellites, U.S. officials said, adding that experiments connecting with the "star wars" program could also be delayed. Although President Ronald Reagan vowed that the U.S. space program will go on after yesterday's tragedy, the disaster will sharpen the argument that the United States should abandon manned missions and instead send robots to explore the universe.

Meanwhile, NASA scheduled a memorial service at the Johnson Space Center in Houston for Friday. The agency said President Reagan and the First Lady will attend.

PRAVDA PROMISES 'APPROPRIATE RESPONSE' TO SDI

OW301736 Beijing XINHUA in English 1432 GMT 30 Jan 86

[Text] Moscow, January 30 (XINHUA) -- The Soviet Union will make "an appropriate and effective response" to the U.S. Strategic Defense Initiative, popularly known as "star wars" program, the Soviet Communist Party newspaper PRAVDA said today. The paper accused the U.S. Government of attempting to modify the military parity of the two superpowers and of seeking military superiority over the Soviet Union through its star wars program.

PRAVDA said in an editorial today that if the United States accepts the Soviet proposals on halving the Soviet and American nuclear weapons capable of reaching each other's territories, it would constitute an important step towards the complete elimination of nuclear weapons. The newspaper urged Washington to respond positively to the new Soviet disarmament proposals put forward by Soviet leader Mikhail Gorbachev on January 15, saying that it is necessary to act concertedly and immediately to put an end to the arms race and to direct international developments onto the course of peaceful progress.

USSR, CUBA REAFFIRM SUPPORT FOR ANGOLA

OW310244 Beijing XINHUA in English 0233 GMT 31 Jan 86

[Text] Moscow, January 30 (XINHUA) -- The Soviet Union, Angola and Cuba discussed here on January 27 the situation in southern Africa, especially that in Angola, according to a TASS report this evening. The report said that the three sides firmly opposed linking the measures for disarmament with the settlement of the regional conflicts and opposed the U.S. attempt to use the regional conflicts for interference in the internal affairs of soverign states and aggravate East-West confrontation. They condemned the South African regime for stepping up its suppression at home and carrying on aggression against neighboring countries. They also denounced the United States for meddling in the internal affairs of Angola by increasing support for the National Union for Total Independence of Angola (UNITA).

The Soviet Union and Cuba reaffirmed their respect for their treaties with Angola and said they would resolutely stop aggressive encroachments on the sovereignty and territorial integrity of Angola. The three sides emphasized that the situation could be improved and peace attained in southern Africa only if readiness is displayed by the Pretoria regime and its supporter, the United States, to heed the interests of Angola and the Namibian people and recognize the South West Africa People's Organization (SWAPO) as the sole and legitimate representative of the Namibian people.

GUOJI SHANGBAO DISCUSSES SINO-JAPANESE TRADE

HK300729 Beijing GUOJI SHANGBAO in Chinese No 80, 13 Jan 86 p 3

[Article by Zhang Xiaomin: "Sino-Japanese Trade: The Present and the Future"]

[Text] In 1985, Japan's exports increased over 1984, while its imports decreased. According to the Japanese Ministry of Finance, between January and November 1985, Japan had a $39.5 billion balance of trade surplus. This tremendous surplus has caused Japan further trade difficulties with the rest of the world. In the new year, friction between Japan and its major world trading partners will further intensify. How to ease the friction has become the most important problem for Japan in developing its foreign trade.

The momentum of rapid growth in Japan's exports to China did not weaken in 1985. The volume of exports to China in the second and third quarters was double that in the same period in 1984. The largest margin of increase occurred in machinery products. In the first 10 months of 1985, Japan's exports of machinery products to China increased by 88 percent over the same period in 1984. The value totaled $5.977 billion, accounting for 57.7 percent of total Japanese exports to China. Commodities that increased by a comparatively large margin were: cars, trucks, ships, scientific apparatus and steel products. In 1985, Japan's export of electrical home appliances was still on the rise. Between January and October, export of TV sets grew 2.2 times over the same period in 1984, refrigerators by 1.6 times, and washing machines by 1.7 times. At the same time, China increased imports of chemical fertilizer and organic chemical industrial products from Japan. Chemical industrial products increased by 26.9 percent over 1984, and chemical fiber and its products by 30 percent.

China's exports to Japan were affected by a general drop in prices on the international commodity market in 1985. With some exceptions the majority of commodities exported in large quantity showed a decrease in volume as well as in money realized compared to the same period in 1984. For example, in the first 10 months of 1985, oil exports were reduced by 9.4 percent, coal by 8.5 percent, chestnuts by 9.6 percent, peanuts by 25.9 percent, and prawns by 18.2 percent over the same period in 1984. The main commodities in which Japan increased its imports from China were: maize, cotton, cotton fabric, raw silk, carpets, garments, rabbit hair, books and paintings. Particularly worth mentioning is maize. China resumed its export of maize to Japan in 1984. More than 200 million tons of maize was exported to Japan in the first 10 months of 1985, more than 20 times that of the same period in 1984. This accounted for 5.4 percent of China's total exports to Japan, and it has become another commodity in the large quantity export category.

To sum up, Japan increased its exports to China by a large margin in 1985, while the growth in China's exports to Japan slowed. Hence the drastic increase in China's trade deficit. Between January and November, China's trade deficit with Japan was $5.435 billion, an increase of nearly 10 times that of the same period in 1984. This has become a problem that should not be neglected in Sino-Japanese trade.

How to eliminate trade deficits and maintain the balanced development of Sino-Japanese trade has become an important topic for developing Sino-Japanese economic and trade relations. For this, the departments concerned in China must adopt an active attitude, work hard to expand exports and to strengthen China's capability of creating foreign exchange in its exports to Japan.

Based on an analysis of the conditions of Sino-Japanese trade in 1985, we find the following existing problems must be solved if China is to expand its exports to Japan:

First, of China's commodity mix in its exports to Japan, more than 50 percent is fuel, 20 percent agricultural and sideline products, and 15 percent textile products. Thus we can see that promoting exports of primary products in large quantities to Japan is still the key to increasing exports. Oil is one of the items China exports in large volume to Japan. However, it accounts for only about five percent of the total volume of oil Japan imports at present, and we can still tap potential in this respect. In January 1986, Japan is to implement a liberalization of oil product imports. China should grasp this favorable chance, make full use of existing refinery equipment and capacity, and process semi-finished oil products for export to Japan, upgrading the additional value of the exports. In recent years, Chinese maize has been exported to Japan in large volume. It is extremely necessary to stabilize its supply, and to guard against any drastic rise or fall.

Second, upgrading the quality of export commodities, and safeguarding a good reputation. In 1985, the commodities China exported to Japan were universally upgraded in quality, a move welcomed by our Japanese clients. However, the quality of some commodities has declined, and this has seriously affected the image of Chinese commodities. The issue of quality has a direct bearing on whether Chinese commodities will stay in the Japanese market. It is necessary to set up healthy, complete and strict criteria for quality.

Third, in the first half of 1985, some units in China exported "parallel goods" to Japan through abnormal channels, harming normal trade between China and Japan, and Japanese businessmen have complained about it. In the latter half of the year, China strengthened its export controls, and implemented a system of export licenses, keeping "parallel goods" under control. We can see, therefore, that it is very important to handle exports to Japan in an organized way, orderly and steadily over a long period. China set up its Maize Export Association in 1985, with a view to strengthening control of maize exports, to the admiration of Japanese businessmen.

Fourth, developing exports of new varieties of commodities is an important channel in expanding China's exports to Japan. The number of potential new varieties of commodities in China is great. We can start with small commodities in this respect, such as small handicraft articles, sundry goods, and articles for everyday use. The Japanese love small Chinese commodities, because of their friendly feelings toward China. At the Tsukuba Fair and other exhibitions of Chinese products, such commodities were in demand and sold out.

And fifth, by the end of the year 2000, the world's demand for nonferrous metals and rare metals will increase to 40 times what it is today. China is one of the countries in the world that abounds in nonferrous metals, rare metals and other mineral resources. Japan is very active in developing China's mineral resources, and some of its enterprises are investigating in China, negotiating on matters of investment. The Chinese side can adopt various ways of using Japanese capital to develop its mineral resources for export. Besides, Japan has a great de and for China's building materials, such as stone and sand. China's relevant departments should actively develop investigation, research, and exploitation.

BEIJING LAO COMMENTS ON INDOCHINESE CONFERENCE

BK301140 Beijing International Service in Lao 1230 GMT 29 Jan 86

[Station commentator Ya Ming's commentary: "Comments on the Communique of the Conference of the Foreign Ministers of the Three Indochinese Countries"]

[Text] On 23 and 24 January, Vietnam, Laos, and the Cambodian puppet administration convened the so-called conference of the foreign ministers of the three Indochinese countries in Vientiane. The communique of the conference pointed out that they wanted to settle the Cambodian problem through negotiations. Hanoi newspapers made much propaganda out of it, saying that the conference showed Vietnam's sincerity for peace. Nevertheless, if one closely studies the contents of the communique, one cannot help but wonder what part of the communique shows the sincerity for peace of the Vietnamese rulers. The communique of the conference of the foreign ministers of the three Indochinese countries merely repeats the shop-worn stand of Vietnam and contains nothing new.

An AFP report from Hanoi said that Western diplomats and observers in Hanoi are of the opinion that the communique issued at the conference shows no signs of compromise with regard to the settlement of the Cambodian problem, and does not create any new opportunity for the solution of the problem. The communique simply repeats in full the proposals outlined at a similar conference held in August last year: to hold negotiations with anyone except the Pol Pot group and other similar Cambodian organizations.

World public opinion is fully aware that the aim of the Vietnamese rulers in making such proposals in the past was to undermine the unity of the Coalition Government of Democratic Kampuchea and to seek ways to legitimize the Heng Samrin puppet regime. However, the proposals have been rejected by the patriotic forces of the Samdech Sihanouk, Son Sann, and Khieu Samphan parties. And now, the Vietnamese rulers have once again tried to present their unreasonable proposals to the world. This move clearly shows that their aggressive nature remains unchanged.

The Cambodian problem arose from the aggression of Vietnam. The key to the settlement of the Cambodian problem rests with the resolutions adopted by the UN General Assembly, which demand that Vietnam totally and unconditionally withdraw its forces from Cambodia and that the Cambodian people be allowed to freely decide their political future without external interference. Without the first condition, which demands that the Vietnamese forces be withdrawn from Cambodia, no peaceful settlement of the Cambodian problem can be achieved. However, the communique of the conference sought to avoid this crucial issue. Even though the Vietnamese rulers have paid lip service to the peaceful settlement of the problem, they, in fact, remain steadfast about settling this problem through military means. The plan to withdraw Vietnamese forces from Cambodia by 1990, as mentioned in the communique, has been mapped out on the basis of wiping out the Cambodian resistance forces through military means within 5 years.

The lengthy occupation of Cambodia by the Vietnamese rulers has driven them into utter isolation. If the Vietnamese rulers genuinely want to extricate themselves from such a deadlock, there is only one way out -- to immediately withdraw the Vietnamese forces from Cambodia. If they fail to follow through with actual deeds in this direction but only resort to diplomatic tricks by calling for dialogues, they will never be able to improve their image.

Thai Minister Doubts Change

OW301746 Beijing XINHUA in English 1617 GMT 30 Jan 86

[Text] Bangkok, January 30 (XINHUA) -- Thai Deputy Prime Minister and Foreign Minister Sitthi Sawetsila said here today that the slightly lowered tone in the statement of the recent "Indochinese foreign ministers' meeting" does not prove any change in Vietnam's attitude towards the Kampuchean problem. Sitthi made the comment when he met with Austrian Foreign Minister Leopold Gratz, current chairman of the International Conference on Kampuchea.

Sitthi said that Vietnam attempted to use that statement, which appeared to contain some compromise, to deceive the world opinion and sow discord among the member states of the Association of Southeast Asian Nations (ASEAN). He said that the forces of Democratic Kampuchea are putting up effective resistance in the interior of their country while Vietnam is encountering increasing difficulties. Soldiers of the puppet Heng Samrin regime do not want to die for the Vietnamese and Soviet aid to Vietnam is limited, Sitthi added.

Gratz expressed concern over the contradiction within the faction of Son Sann in the tripartite Coalition Government of Democratic Kampuchea, and hoped that the contradiction would be solved soon. Sitthi told Gratz that the occurence of some contradiction is quite common and it could be solved. Sitthi requested Gratz to inform the Vietnamese leaders that Thailand works for peace in Southeast Asia and does not want to be Vietnam's enemy. Gratz arrived here on January 22. After concluding his visit to Thailand, he will visit Indonesia and Vietnam.

SIHANOUK PAYS TRIBUTE TO GUANGDONG'S ACHIEVEMENTS

HK300806 Beijing ZHONGGUO XINWEN SHE in Chinese 1457 GMT 29 Jan 86

[Text] Guangzhou, 29 Jan (ZHONGGUO XINWEN SHE) -- Prince N. Sihanouk, chairman of Democratic Kampuchea, said here this evening: "I have witnessed the great changes that have taken place in Guangdong Province. This tells us that China's current policies are wise."

He made these remarks at a farewell banquet given in his honor by Guangdong Governor Ye Xuanping. The banquet was given at the magnificent Garden Hotel. On the occasion, Prince Sihanouk expressed great satisfaction over his trip to Guangdong. Comparing with his visit in 1973, he said: "The changes taking place in Guangdong Province are amazing. The people's living standard has greatly improved. Particularly in the countryside, we saw beautiful farmland and orchards wherever we went." He also said that the achievements by China constitute strong support for the Cambodian people in their anti-Vietnamese struggle for national liberation.

Prince N. Sihanouk, his wife, and his entourage arrived in Guangdong on 15 January for a visit. During their stay they went to Guangzhou, Shenzhen, Zhuhai and Shunde Counties and paid a special visit to Zhongshan City and Cuixiang Village, where Dr Sun Yat-sen's former residence is located.

Returns to Beijing

OW301313 Beijing XINHUA in English 1159 GMT 39 Jan 86

[Text] Beijing, January 30 (XINHUA) -- Samdech Norodom Sihanouk, president of Democratic Kampuchea, ended his visit to China's Guangdong Province and flew back here today. The president arrived in Guangdong January 15 and visited many places of the province during his two-week stay there. Accompanying the president on the tour, Chinese Vice Foreign Minister Liu Shuqing and Ambassador of the Democratic Kampuchea to China Chan Youran also returned here today.

EVERBRIGHT'S HONG KONG PROJECTS DISCUSSED

HK300847 Beijing ZHONGGUO XINWEN SHE in Chinese 0805 GMT 24 Jan 86

[Report by reporters Ling Hongjun and Sheng Meilan: "Wang Guangying on Everbright Group's Development of Business"]

[Text] Hong Kong, 24 Jan (ZHONGGUO XINWEN SHE) -- "It will soon be 3 years since I came here. I have run into more difficulties than I imagined, but the progress achieved has also been faster than I imagined." This was what Wang Guangying, head of the Everbright Group, said in summing up his 3 years in Hong Kong -- years packed with change. The other day, he talked with us at the office of the Hong Kong Far East Financial Center about the development of the Everbright Group's business operations.

He said that Everbright Group had completed transactions involving 26 projects -- bringing more than $600 million to the mainland. Forty percent of the transactions were handled through Hong Kong. "Large transactions like these have always been money losers at the start. But we have boasted of profits here from year to year! So Everbright has been the focus of everyone's attention and the subject of talk. This is nothing strange."

On the develop of the piece of land known as Admiralty II, Hong Kong, Wang Guangying said that the site for the Everbright Building had basically been completed and the whole project is to be finished in early 1988 at the latest. So saying, he asked someone to bring him the model of the building. How to describe this ingeniously designed 47-story building? After a little thought, he said that the best description was to call it a silver dragon hugging a column. He added that work had also started on another similar office building.

The Everbright Group has extended its business operations to northeast China. In cooperation with the Kajima Construction Company of Japan, it will invest in the building of port facilities in Dandong City. A relevant agreement is to be signed soon. It is planned to first build a landing stage-type wharf for 5,000-ton-class cargo vessels, with expansion to be carried out later. Given a modern wharf for Dandong, the strain on the currently overtaxed Dalian Harbor, the gateway to northeastern China, will be relieved.

The Waihai Bridge -- the last line spanning the Guangzhou-Zhuhai highway -- is a project involving cooperation between the Everbright Group and Kumagae of Japan, with an investment of $25 million. An iron bridge with a 1,400 meter span is to be completed in 2 years. Wang Guangying envisioned this project as a new record chalked up in the bridge-building history of China. Work has started on the project, with an official ceremony to be held soon.

Work is being carried out on the site for the 53-story Jingguang Center in Hujialou, east of Beijing. After completion, the Wangfujing Hotel, of a class surpassing five stars, will be one of the best in Beijing. The site for the rebuilt Heping Hotel has been completed. The whole project will be completed 2 years from now. For this reason, the well-known Jinyu Lane will be widened.

"Is your life in Hong Kong, or your life as vice mayor of Tianjin, more exacting?" Pointing to the flecks of white in his hair, Wang Guangying said: "In the past 2 years, we have not been free from setbacks. What we are involved in is of a pioneering and exploratory nature." Of the Everbright Group's 26 projects, he described only a few. In our opinion, this is enough to give us an idea of the whole situation.

EC BANS ARMS SALE TO NATIONS LINKED TO TERRORISM

OW281157 Beijing XINHUA in English 1131 GMT 28 Jan 86

[Text] Brussels, January 28 (XINHUA) -- The 12 European Community (EC) nations Monday pledged to ban arms sale to nations supporting terrorism but declined to join in the U.S. economic sanctions against Libya. In a statement issued after a one-day meeting, foreign ministers from the EC member nations said that they had "decided not to export arms or other military equipment to countries which are clearly implicated in supporting terrorism." The statement said: "The 12 EC countries condemn all forms of international terrorism." The statement said: "The 12 EC countries condemn all forms of international terrorism." The ministers also promised "to do everything within their power to avoid their nationals and industry seeking any commercial advantage in reaction to terrorist attacks and other terrorist activities."

U.S. President Ronald Reagan had appealed to Washington's Western allies to impose economic sanctions on Libya, which the United States accused of backing the terrorists' attacks on the Rome and Vienna airports on December 27, in which 20 people were killed. The EC nations told John Whitehead, U.S. deputy secretary of state, who recently visited some EC nations to win their support for the U.S. actions, that economic sanctions against Libya would be not be effective.

The ministers vowed to intensify security at airdromes, ports and railway stations and impose tighter controls on people entering or leaving EC nations to ward off possible terrorist attacks. The EC statement also expressed "strong concern" at the tensions developing in the Mediterranean since the United States began an aeronaval manoeuvre off the Libyan coast on January 24. It called for a peaceful resolution of the regional problems.

THATCHER NOT UNSCATHED BY WESTLAND 'STORM'

OW292120 Beijing XINHUA in English 1830 GMT 29 Jan 86

["News Analysis: Political Storm Over Westland Abates, but Impact Remains" -- XINHUA headline]

[Text] London, January 29 (XINHUA) -- The political storm over Britain's financially-ailing Westland Helicopter Company has begun to abate after Parliament Monday defeated an opposition Labour Party motion to investigate the Government's handling of the Westland affair. However, the storm, the worst that Prime Minister Margaret Thatcher has weathered in her six and a half years in office, has already dealt severe blows to the ruling Conservatives and might affect its future, observers here said. On Monday, an emergency motion by the opposition Labour seeking full details of the background to a leak of a confidential ministerial letter on the Westland Helicopter Company was defeated with 379 against and 219 for it. The vote showed that almost all Conservative Parliament members rallied to Thatcher's defence.

The Westland affair surfaced on January 9, when Defence Secretary Michael Heseltine resigned, alleging that Thatcher and Trade and Industrial Minister Leon Brittan tried to stifle his campaign for a European consortium's take-over of Westland, the country's only helicopter maker. About two weeks after his resignation, Brittan, who Heseltine said had sided with Thatcher in favor of a rescue offer by the giant U.S. helicopter manufacturor Sikorsky, quit after being accused of leaking a ministerial confidential letter detrimental to Heseltine's campaign. Thatcher had since then been questioned whether she knew about the leak which was a violation of the Secrets Act and which was actually permitted by her own office.

Before Monday's vote, Thatcher insisted that she did not know about the leak until January 22, when she was informed by an investigative group. She claimed that the leak "stemmed from a genuine difference of understanding" between her office and the Trade Department. She said the Trade Department believed it had got "permission" to leak the letter while officials at her private office agreed that the news media could be informed about the letter, but not in the form of a leak.

During hours of debate, Brittan, a Thatcher loyalist, said he took full responsibility for the fact and the form of the leak and thereby fended off the charges of the opposition parties against Thatcher. Even Heseltine, who had launched a barage of charges against Thatcher and Brittan after his resignation, joined the chorus of support from conservative MPS for Thatcher's explanations, saying that Thatcher's "brave speech... has brought the politics of this affair to an end." With Conservatives temporarily united against the challenges of opposition parties, Thatcher has emerged from the Westland crisis, but not without wounds, observers said. The opposition parties who have compared Thatcher's handling of the Westland affair with the Watergate scandal still remain unconvinced about her explanation of the leak and will continue to embarrass the government at all available occasions. The Westland affair symptomized the dissatisfaction of some Conservatives with Thatcher's domination and encouraged them to promote rival Conservative nominees for the next general elections.

What appears to be the most severe blow to the Conservative Party, however, is the fall of its popularity caused by the Westland affair. In an opinion poll conducted before Monday's Parliament debate, Conservatives got 29.5 percent of public support, compared with 35 percent for the Social Democratic and Liberal alliance and 34 percent for the Labour Party. An opinion poll conducted on Tuesday by the British Broadcasting Company showed that the Conservatives were again in third place with 29 percent, behind the alliance with 35 percent and the Labour Party with 31 percent.

There was much talk last year that the Prime Minister was likely to call an early general election this fall amid the continuing surge of British economy and the implementation of a large scale tax cut. But the Conservatives hope to win an early third straight general election is certainly diminished by the fall of its popularity and economic uncertainties caused by the fall of North Sea oil price, observers said.

BARTER TRADE PAYMENTS PROTOCOL WITH CSSR SIGNED

OW261420 Beijing HINHUA Domestic Service in Chinese 1147 GMT 23 Jan 86

[Text] Prague, 22 Jan (XINHUA) -- The Harbin branch of the Bank of China signed a payments and accounts settlement protocol for local barter trade here this afternoon with the Czechoslovak Trade Bank. This is the first agreement signed between the two countries to solve bank account problems since some Chinese provinces and cities began to carry out barter trade with Czechoslovakia outside the government agreement. So far seven Chinese provinces and cities including Shanghai, Beijing, Heilongjiang, and Jiangsu have signed local barter trade agreements with Czechoslovakia. The protocol signed today will create favorable conditions for implementing these local barter trade agreements and for further promoting barter trade with Czechoslovakia in the future.

FRIENDSHIP ASSOCIATION FETES CSSR OFFICIAL

OW301724 Beijing XINHUA in English 1518 GMT 30 Jan 86

[Text] Beijing, January 30 (XINHUA) -- The Chinese People's Association for Friendship With Foreign Countries hosted a dinner here today for Bohuslav Kucera, president of the Czechoslovak Association for International Relations. Kucera is also a vice-chairman of the Federal Assembly of Czechoslovakia.

Speaking at the dinner, Vice President Chu Tunan of the friendship association said that China and Czechoslovakia had carried out diversified exchanges in recent years. Cooperation between friendship organizations of the two countries had also been successful. He emphasized that developing the Sino-Czechoslovak friendship is in accord with the fundamental interests of the two peoples and also contributes to world peace. In his toast, Kucera expressed willingness to work for friendship as well as economic and technical cooperation between the two countries. Kucera arrived here this morning on a week-long visit to China as guest of the friendship association.

POLISH FOREIGN MINISTER ON TIES WITH U.S., PRC

OW300923 Beijing XINHUA in English 0720 GMT 30 Jan 86

[Text] Warsaw, January 29 (XINHUA) -- It is possible for Poland to normalize relations with the United States and Poland has suggested to hold intergovernmental talks to review the entirety of matters between the two countries, said Polish Foreign Minister Marian Orzechowski here today.

Making a report on his country's foreign policy at a meeting of the parliament, the foreign minister said that on the Polish-U.S. relations, Poland "will not overlook even the slightest, single sign of goodwill, but it will also not fail to react to any gesture and step that would be unfriendly towards Poland." He said that Poland pays special attention to developing economic relations with Western countries. But, he added, the relations should be carried on without political restrictions.

The foreign minister said that "we hold that it is of importance to maintain relations with the People's Republic of China," and that "the cornerstone for our foreign policy has always lain and will lie in the friendship and complete corporation with the Soviet Union." He continued that Poland supports Soviet leader Mikhail Gorbachev's new proposals on disarmaments and "will supplement them with its own views and initiatives." He said that the Soviet proposals "have expressed our desires and demands and reflected the most profound interest of our people." He pointed out that it is impossible to realize detente rapidly and the international tension is not easy to be got rid of.

UN REPRESENTATIVE CENSURES ISRAEL FOR DESECRATION

OW310648 Beijing XINHUA in English 0631 GMT 31 Jan 86

[Text] United Nations, January 30 (XINHUA) -- The Chinese people including its Moslems condemn the recent acts of provocation by the Israeli authorities against the Islamic holy places in Jerusalem, Ambassador Li Luye said here today.

The ambassador, China's permanent representative to the United Nations, made these remarks at this afternoon's Security Council meeting. The Council has met six times since January 21 at the request of the Arab countries to consider Israeli acts of desecration of the Al-Aqsa Mosque in the occupied city of Jerusalem. Referring to the "acts of deliberate provocation" by some members of the Israeli Knesset, certain government ministers and some extremists, Ambassador Li said that Chinese Moslems sympathize with, and understand, the sentiments of the Islamic peoples towards the Islamic holy sanctuaries in Jerusalem. He pointed out that the recent event was by no means an accidental and isolated incident. "It is in fact the continuation of a series of acts of sabotage and provocation for nearly 20 years in the past against the Islamic holy places in Jerusalem."

Reviewing the recent history of the region, the ambassador said that since 1967, the Israeli authorities have taken legislative and administrative measures which would result in a change of Jerusalem's status and lead eventually to the annexation of the city. The Chinese ambassador also recalled that since 1968, the Security Council has adopted nine successive resolutions, in which it stressed time and again that all such measures taken by Israel had no legal validity and asked Israel to cease all acts of this nature. However, he pointed out, Israel has refused to implement the U.N. resolutions. Instead, it has clung obdurately to their course and has created continuous tensions in the occupied territories, including Jerusalem.

The ultimate solution of the Jerusalem question hinges on a comprehensive, fair and lasting settlement of the Middle East question, he said. To this end, he said, Israel must withdraw from the Arab territories it has occupied, including Jerusalem, and the national rights of the Palestinian people and the other Arab countries must be restored. Before that goal is achieved, he stated, Israel, as the occupying power, must strictly observe the principles of international law, particularly the relevant provisions contained in the Geneva Convention related to the protection of civilian persons in time of war. It must respect the basic rights of the indigenous Arab people, including their right to religious belief, and the ancient Islamic civilization.

XINHUA ASSESSES EUROPEAN TRIP BY ISRAEL'S PERES

OW310330 Beijing XINHUA in English 0258 GMT 31 Jan 86

["Round-up: Israeli Prime Minister's European Tour Gets Nowhere" -- XINHUA headline]

[Text] Beijing, January 31 (XINHUA) -- Israeli Prime Minister Shim'on Peres Thursday wound up his 11-day European tour in a bid to drum up support for his Middle-East peace formula, but his effort got nowhere. Peres toured the Netherlands, Britain and Federal Germany, but he mainly devoted his efforts to convince the British leaders who have strong ties with Jordan, of the formula. Outlining his position at the beginning of his visit on January 19, Peres said that he was ready to talk with a Jordanian-Palestinian delegation in a loose international framework, provided Jordanian King HUsayn selects West Bank mayors or Palestinian members of Jordan's Parliament as Palestinian representatives. But he refused to accept PLO members in the delegation.

He reportedly suggested an international conference lasting for a day or two, apparently for cosmetic purposes, and then bilateral talks dealing primarily with the status of the West Bank and Gaza Strip. Other issues like the status of Jerusalem and the occupied Golan Heights would be left until later.

Peres' European diplomatic tour had the backing of the United States, whose government dispatched envoy Richard Murphy to London for an intensive round of shuttle diplomacy between Peres and Jordanian King Husayn, who had been in London just before Peres' arrival. To find a formula for peace talks acceptable to both Israel and the Arabs, Murphy held four long meetings with Peres in five days while shuttling between The Hague and London. No details of Murphy's meetings with Peres and Husayn are available yet, but observers say that the gap between the positions of the two remains wide.

Peres made it clear that there is an urgent need to get the peace process with Jordan moving, for he will hand over his premiership in October to foreign minister Yitzhaq Shamir, who leads the hard-line Likud Bloc that is opposed to territorial concessions to the Arabs. In view of what he has done during his 15-month premiership -- the troops withdrawal from Lebanon; a stabilized economy and improved relations with Egypt -- progress in the peace process might enable Peres to avoid a transfer of power by bringing down the coalition government and winning a new election, which would give him a full four-year term in office. Husayn reportedly believes that time is working against a peaceful settlement of the Arab-Israeli conflict as he considers it easier to negotiate with Peres than with Shamir. However, it is almost impossible for Husayn to go it alone. He needs to be flanked by Syria or the PLO, or preferably both. He also needs the framework of an international conference and the presence of the Soviet Union and the United States to guarantee fair play.

The idea of peace talks between Israel and a Jordanian-Palestinian delegation originated in an accord reached between Jordan and the PLO in February last year. But it had never been realized, because there were differences over the question of who should participate in the international talks and who would represent the Palestinians. The United States and Israel are opposed to the participation of the PLO unless the latter renounces violence and accepts U.N. Resolutions 243 and 338 that call for recognition of Israel's right to exist. But PLO Chairman Yasir 'Arafat does not agree with these conditions for his participation, while Syria, another major party to the conflict, is not ready to accept either of the international conference formulas. Syria reportedly holds that if there are any peace talks within an international framework, Syria and anti-'Arafat PLO factions should be present.

In his public statements made in The Hague, capital of the Netherlands, Peres delivered a message to the Soviet Union, which has shown some interest in the peace process, to the effect that any Soviet involvement in the peace process must be under the condition that it restores diplomatic relations with Israel which had been severed in 1967 after an Arab-Israeli war and eases emigration restrictions on Soviet Jews who want to move to Israel. In London, Peres persuaded Britain to make use of its good relations with King Husayn and the rest of the Arab world to bring about direct talks according to his formula. But there are reports that Peres has failed to get British leaders to shift their position on the Middle East. They believe that it is dangerous to negotiate a peace settlement in the absence of Syria and the PLO, the sole legal representative of the Palestinians supported by the Arabs and most of the world.

But Peres said he was expecting a "final approach" from Husayn who had met PLO leader 'Arafat in Amman in the past four days after Murphy's mediation effort. 'Arafat told Husayn that the PLO would endorse the U.N. resolutions recognizing Israel only when the United States had recognized the PLO as the sole legal representative of the Palestinians. So the ball is now in the American court. Observers do not expect a positive American response to the challenge. But without one, no bright prospects would be in sight for the peace process.

PLA'S HE QIZONG DISCUSSES REDUCTION WORK

OW301337 Beijing International Service in Mandarin 0900 GMT 30 Jan 86

[Text] He Qizong, deputy chief of the General Staff of the PLA, said: The Chinese Army will continue to carry out the reduction-in-strength and reorganization this year. The main points of this year's Army reduction-in-strength and reorganization work will be implemented in military academies, the logistics system of the whole Army, and in People's Armed Forces departments at county level. Adjustment of high-level leading bodies was completed in the Chinese Army last year. A series of reforms such as the change from field army to group army, and the consolidation of several services, were also conducted.

The 43 year-old He Qizong took up his present post during that adjustment of high-level leading bodies. He is one of the youngest senior commanders in the Chinese Army. He told the reporter that the reduction of one million troops will also take place smoothly after the completion of those reforms. Referring to arms and equipment of the Chinese Army, he said: Weapons design and production for the Army have been greatly upgraded since 1979. The Army is using more computers. Arms and equipment are gradually updated. He said the arms and equipment of the Chinese Army should aim at the world's advanced level and high level scientific research for arms and equipment should be strengthened. He Qizong also talked about the fighting strength of the Chinese Army. He said: Compared with the Korean war in the 1950s, the fighting strength of the Chinese Army has markedly increased. It can be said that we will surely win a final victory if any country dares to wage an aggressive war against our country.

TRAINING OF DEMOBILIZED ARMY CADRES VIEWED

HK280305 Beijing LIAOWANG in Chinese No 2, 13 Jan 86 p 21

[Article by Ding Shiyi: "An Important Strategic Task -- Jiao Shanmin on Preassignment Training of Demobilized Army Cadres"]

[Text] The CPC Central Committee and the State Council have decided to reform the Army structure, to streamline and reorganize the Army, and to cut the Army by 1 million men. In the next few years a large number of cadres will leave the Army and work in civilian posts. What should we do to help the cadres transferred from the military to the socialist construction front adapt themselves to the new environment as quickly as possible and to perform their new tasks well? Bearing this question in mind, this reporter interviewed Jiao Shanmin, member of the work group under the State Council for the assignment of demobilized Army cadres and vice minister of labor and personnel.

The enlarged meeting of the Central Military Commission presided over by Comrade Deng Xiaoping in 1975 decided that the Army should be reorganized. After that, the State Council set up a work group for the assignment of demobilized Army cadres. Beginning in 1980, Jiao Shanmin was in charge of the work of assigning and training demobilized Army cadres. Some time ago he presided over a national work conference on the training of demobilized Army cadres. He told this reporter: Since the 3d Plenary Session of the 11th CPC Central Committee, our country has entered a new period of socialist modernization. In an effort to achieve the four modernizations, we should train and bring up, through various channels, a contingent of cadres who are better educated and have both professional knowledge and managerial skills. Preassignment training of demobilized Army cadres is a new task in the new period. It is also a major reform in the assignment of demobilized Army cadres.

Comrade Jiao Shanmin said: As long ago as 1979, Comrade Deng Xiaoping pointed out the necessity of holding training classes for cadres who leave the Army to work in civilian posts, so as to teach them various branches of knowledge, such as industry, finance, and trade, politics and law, and culture and education. He also gave specific instructions on the period, method and organizational form of training. Comrades Hu Yaobang, Zhao Ziyang, Yu Qiuli, and Yang Dezhi also stressed on numerous occasions that demobilized Army cadres should be given preassignment training.

Jiao Shanmin said: In the spirit of the instructions of the central leading comrades, in 1981 we conducted 6 months of specialized training among more than 80,000 Army cadres transferred to political and legal fronts. We attained satisfactory results by adopting the method in which the Army retained overall responsibility and the local authorities provided training classes with teaching materials and personnel. This provided useful experience for the training of demobilized cadres on a large scale. In 1983 the work of training demobilized cadres was gradually implemented on a national scale. To date, 5 training centers for demobilized Army cadres have been set up and preparations are being made for the establishment of 12 others. There are more than 3,000 special training classes of all types. Almost 200,000 people have received various specialized training, accounting for more than 60 percent of the total number of demobilized cadres who should receive training.

In the course of the conversation, Jiao Shanmin took out a large parcel of documents. He said: Read this data. You can see from this data that the demobilized cadres have markedly improved their professional competence after receiving job-related training. In 1982, cadres transferred to political and legal fronts achieved outstanding success in cracking down on economic crimes and safeguarding public order. Many demobilized cadres succeeded in becoming key members in production and other work in a relatively short time. They have either been commended or placed in important positions.

Jiao Shanmin said: A gratifying situation has emerged in the placement of demobilized Army cadres. The various localities have accepted as many cadres as have been assigned by the central authorities and made good arrangements for their placement. A new situation has emerged whereby quite a few localities vie with one another in accepting tasks for the placement of demobilized cadres. All localities have accepted, according to the plan, their quotas of demobilized Army cadres scheduled for this year. This has been an unprecedentedly excellent situation in the placement of demobilized Army cadres since the fifties.

Jiao Shanmin said: In the past 2 years, the contents of specialized training have also constantly developed in line with the expanding scope of training. In 1983 most localities mainly ran comprehensive training classes. In 1984 training classes were divided according to different specialized subjects, such as industry, finance and trade, communications, banking, tax and insurance, administration of justice, public security, party and government administration, and culture and education. In the course of teaching practice, and curricula were properly adjusted in line with practical needs of demobilized Army cadres in order to conduct training in a systematic and specialized way. This practice is well received by the cadres being transferred to civilian work. Jiao Shanmin said: It now seems good to lengthen the period of training, originally fixed at half a year. Some training classes last 1 or 2 years. Efforts should be made to gradually turn training classes into schools. The demobilized Army cadres who have received training should attain the level of either a special secondary school and/or a university graduate. Training classes can be run in various ways. They can be run independently by the local authorities, jointly run by the Army and local authorities, or assigned to the existing universities, colleges, special secondary schools, party schools, and cadre schools.

At the end of his talk, Jiao Shanmin emphatically said: The Army is an important component of state power. Where there is an Army, there is transferrence to civilian work; those transferred to civilian work should be given training. Preassignment training will become a new system under which we arrange for the placement of demobilized Army cadres. For this reason, the training of demobilized Army cadres should be regarded as a long-term strategic task and not a makeshift measure. On no account should it be provided at the last moment. Even if, a number of years later, all Army cadres should be graduates of military academies with a special secondary school or university educational level, they should still receive specialized training when they are transferred to civilian work. This is because, with all their cultural and educational backgrounds. they have no professional knowledge and are not familiar with economic construction. They will face the problem of updating and improving their knowledge. Jiao Shanmin said that the better the training of demobilized Army cadres is conducted, the easier it will be for their placement and the more advantageous it will be for Army consolidation and building.

AREAS OPEN TO FOREIGN TOURISTS INCREASED

OW310428 Beijing XINHUA Domestic Service in Chinese 1417 GMT 30 Jan 86

[Text] Beijing, 30 Jan (XINHUA) -- The Chinese Government he decided to open more areas to foreigners, increasing the number from 107 in 1985 to 244. Beginning from 1 February when the law of the People's Republic of China governing entry and exit by foreigners enters into force, foreigners with valid visas or residence certificates may travel in these open areas without special permission. This was announced by a responsible person of the Ministry of Public Security today. The responsible person said: Along with the development of the situation, more areas in China will be opened to foreigners. Areas opened to foreigners are:

Beijing Municipality
Tianjin Municipality
Shanghai Municipality
Hebei: Qinhuangdao, Shijiazhuang, Chengde, Baoding, Tangshan, and Handan Cities, and Zhuoxian County
Shanxi: Taiyuan, Datong, Linfen, and Yuncheng Cities
Nei Monggol: Hohhot, Baotou, Erenhot, Manzhouli, Tongliao, Hailar, Dongsheng, Xilinhot, and [word indistinct] Cities, and Dalad Banner
Liaoning: Shenyang, Dalian, Anshan, Fushun, Dandong, Jinzhou, Yingkou, Fuxin, Liaoyang, Benxi, Tieling, Chaoyang, and Panjin Cities
Jilin: Changchun, Jilin, Yanji, Siping, Liaoyuan, Tonghua, and Baicheng Cities, and Antu County (Changbai Shan Natural Conservation Area)
Heilongjiang: Harbin, Qiqihar, Daqing, Jiamusi, Mudanjiang, Jixi, Hegang, Qitaihe, Yichun, and Wudalianchi Cities
Jiangxu: Nanjing, Suzhou, Wuxi, Lianyungang, Nantong, Changzhou, Yangzhou, Zhenjiang, Xuzhou, Huaiyin, and Yancheng Cities
Zhejiang: Hangzhou, Ningbo, Shaoxing, Wenzhou, Jiaxing, Huzhou, Jinhua, and Jiaojiang Cities, and Putuo County (Putuo Shan Tourist Area)
Anhui: Hefei, Wuhu, Huangshan, Bengbu, Tunxi, Maanshan, Anqing, Huainan, Huaibei, Chuzhou, and Chaohu Cities, Shexian, Fengyang, and Jingxian Counties, and Jiuhuashan Tourist Area
Fujian: Fuzhou, Xiamen, Quanzhou, and Zhangzhou Cities, and Chongan County
Jiangxi: Nanchang, Jiujiang, Jingdezhen, Yingtan, Jingganshan, and Ganzhou Cities
Shandong: Jinan, Qingdao, Yantai, Taian, Weifang, Zibo, and Jining Cities
Henan: Zhengzhou, Kaifeng, Luoyang, Anyang, Xinxiang, Xinyang, Nanyang, Puyang, and Pingdingshan Cities, and Wenxian County
Hubei: Wuhan, Yichang, Shashi, Xiangfan, Xianning, Danjiangkou, Huangshi, Jingmen, Ezhou and Shiyan Cities, and Jiangling County
Hunan: Changsha, Hengyang, Yueyang, Xiangtan, and Zhuzhou Cities

Guangdong: Guangzhou, Foshan, Zhaoqing, Shenzhen, Zhuhai, Shantou, Haikow, Zhanjiang, Zhongshan, Jiangmen, [word indistinct], Moaming, [word indistinct], Chaozhou, Sanya, Meixian, and Dongguan Cities, and Gaoyao Qiongshan, Dingan, Qionghai, Wanning, Tunchang, Chengmai, Lingao, Danxian, Wenchang, Baoting, Baisha, Qiongzhong, Lingshui, Lendong, Dongfang, Changjiang, Xingning, Huiyang, Boluo, Heyuan, Lufeng, Haifeng, Huidong, Xinxing, Yunfu, Sihui, Fengkai, and Deqing Counties
Guangxi: Nanning, Guilin, Beihai, Liuzhou, and Wuzhou Cities, and Binyang, Guiping, Rongxian, Guixian, Beiliu, Xingan, and Luchuan Counties
Sichuan: Chengdu, Chongqing, Leshan, and Wanxian Cities, and Yunyang, Fengjie, Wushan, and Zhongxian Counties
Guizhou: Guiyang, Anshu, Zunyi, Kaili, and Liupanshui Cities, Shibing, Qinzhen, and Zhenyuan Counties, and Huangguoshu Scenic Area
Yunnan: Kumming, Dali, Yuxi,Chuxiong, and Qujing Cities, Tonghai, Jinghong, Menghai, and Simao Counties, and Lijiang Naxi Nationality Autonomous County
Xizang: Lhasa City
Shaanxi: Xian, Xianyang, Yanan, Baoxi, and Hangcheng Cities
Gansu: Lanzhou, Baiyin, Jiayuguan, Jiuquan,Tianshu, and Linxia Cities, and Yongjing, Dunhuang, and Xiahe Counties
Qinghai: Xining City, Huangzhong County (Taershi), Golmud City, and Gonghe County
Ningxia: Yinchuan City and Zhongwei County
Xinjiang: Urumqi,Shihezi, Turpan, and Kashi Cities

REGULATIONS SIMPLIFY VISITOR RECEPTION PROCEDURES

OW310413 Beijing XINHUA Domestic Service in Chinese 0809 GMT 30 Jan 86

[Text] Beijing, 30 Jan (XINHUA) -- The General Offices of the CPC Central Committee and the State Council have worked out, on 23 January, regulations to simplify reception of leading cadres at all levels on various tours. They have called on localities and departments to resolutely implement these regulations.

The General Offices of the CPC Central Committee and the State Council pointed out: In recent years, when leading cadres at all levels toured various localities, some places failed to earnestly implement the relevant regulations for reception work. Too many people were assigned to greet the guests, see them off, and accompany them on their tours. They entertained them too lavishly. Such practices foment extravagance, waste, and formalism and undermine relations between the party and the masses.

In order to amend this situation, the General Offices of the CPC Central Committee and the State Council have formulated, with the approval of the Secretariat of the CPC Central Committee and the State Council, regulations on receiving guests with the exception of foreign guests. The main points of these regulations are as follows:

-- It is necessary to abolish the welcoming and farewell ceremonies. When leading cadres at all levels visit various places, there is no need for the responsible comrades of those places and departments to meet the guests or see them off at the airport, train station, or port except for those few comrades who are responsible for receiving the guests. Still less should they meet the guests or see them off at the border of their own locality. When a leading cadre from a higher level stops at various localities, the responsible comrades of various localities and departments "do not meet the guests or see them off. Nor will they come to meet the guests unless they are invited to do so." When a leading cadre inspects a basic-level unit, the particular unit, including the various groups and teams being inspected, is strictly forbidden to mobilize or organize the masses to greet the guests or see them off. Nor should they put up posters or hang streamers to welcome the guests.

-- It is necessary to reduce the number of accompanying personnel and travel with a limited entourage. When a leading cadre visits, various localities must reduce the number of personnel, staff members, and vehicles accompanying the guests.

Except for those who have agreed to meet the guests, there is no need for other responsible comrades to be present. When leading cadres at all levels, including those veteran comrades who had retired, visit various localities to rest or recuperate, there is no need for the local responsible comrades to accompany them. When attending local activities, large or medium-sized buses should be arranged for leading cadres in order to reduce the number of vehicles and avoid traffic congestion.

-- It is necessary to practice frugality in providing food and accommodation for leading cadres. Leading cadres on work and inspection tours are not allowed to stay in deluxe guesthouses; these are for the use of foreign guests and Overseas Chinese. It is forbidden to hold receptions or farewell banquets. Nor should wine be served with meals. Cadres who eat meals must pay for their food according to local standards. They must also pay, in strict accordance with the regulations, for meals of the members of their own entourage, as well as meal allowances if such members happen to miss their meals. No special recreation and entertainment activities should be organized for the visiting leading cadres at all levels.

-- It is forbidden to present guests with gifts, including samples and local produce. Leading cadres at all levels and their entourage are not allowed to ask for or receive gifts or request the localities and departments they inspect or visit to buy commodities in short supply or local produce at a preferential price.

-- It is necessary to submit reports based on fact. It is essential to report on local work to the leading comrade at the higher level on the basis of fact, pointing out achievements and shortcomings, as well as problems. It is not permitted to exaggerate or play things down. Still less should one provide false information or figures. In arranging the itinerary and units to be inspected, it is necessary to respect the views of the touring leading comrades at the higher level. Deception and pre-arrangements to visit show places are strictly forbidden.

-- It is necessary to improve media coverage. Except for principal party and state leaders, journalist units at the central level should not dispatch reporters to accompany any central leading comrade on his or her inspection tour, unless the General Offices of the CPC Central Committee or the State Council agree with this action. When necessary to report the activities of any central leading comrade in various localities on a national basis, XINHUA will prepare the necessary news report.

The General Offices of the CPC Central Committee and the State Council call on party committees and governments at all levels to resolutely implement the above-mentioned regulations. They point out: Efforts must be made by secretaries general or directors of various general offices (offices) to coordinate relevant units in earnestly implementing these regulations, conducting checks and providing necessary supervision. Leading cadres at all levels must set high standards for themselves, strictly abide by the regulations, and criticize and ban any practice running counter to these regulations. All personnel reponsible for receiving guests must dare to adhere to the principle, act in accordance with the regulations, strive to carry out their work well and join their efforts to make contributions to bringing about a fundamental change for the better in party style and social conduct.

STATE COUNCIL ISSUES CIRCULAR ON GRAIN QUOTA

OW301123 Beijing XINHUA Domestic Service in Chinese 0217 GMT 30 Jan 86

[Text] Beijing, 30 Jan (XINHUA) -- On 17 January, the State Council issued a circular on the amount of grain to be purchased under the 1986 contract.

The circular says: In order to encourage peasants to grow and sell grain, the state will properly reduce the amount of grain purchased under the 1986 contract so as to increase the proportion of grain purchased by markets at negotiated prices. The following principles will be observed in reducing the state grain purchase quota in 1986: In areas with a developed commodity economy and numerous avenues for developing diversified undertakings, it is necessary to stabilize the quota of grain to be purchased by contract and ensure the fulfillment of grain production and grain purchasing quotas by supplementing grain production with industry; in areas with the necessary potential for developing grain production and few avenues for developing diversified undertakings, including new commodity grain-producing areas and some old commodity grain-producing areas, it is necessary to reduce the quotas of grain to be purchased by markets according to negotiated prices, thereby enabling peasants to increase their incomes with their surpluses; in areas with less arable land that produce a considerable amount of grain for markets, the quotas of grain to be purchased under contract will not be reduced; in a few impoverished areas, grain purchasing contracts should be reduced or completely exempted, and the method of allowing the markets to purchase grain should be relied on heavily.

The circular says that the variety of grain purchased under contract should still be based on the State Council's 1985 regulations; this includes rice, wheat, corn, and soybeans in Heilongjiang, Jilin, Liaoning, and Nei Monggol. As for other grain varities, if it is necessary for supply at government prices in a locality, the various provinces, autonomous regions, and municipalities under the central government should make arrangements for purchasing contracts according to demand. Peasant households and agricultural production units signing purchase contracts will be eligible to buy chemical fertilizers at government prices and eligible for preferential loans. Various provinces, autonomous regions, and municipalities under the central government should set aside a quantity of chemical fertilizers to be sold at preferential prices from that allotted by the state and from their own chemical fertilizer resources. Imported chemical fertilizers outside the state plan and the amount of increased output produced by big chemical fertilizer plants at home should also be used to help grain-exporting areas.

The circular points out that in order to balance the state's grain purchase and consumption, in addition to concluding purchasing contracts for 1986, various areas should deliver to the state a portion of the grain purchased at negotiated prices. The state will arrange for the use of this portion under the unified plan. The banks should ensure funds for purchasing grain. Only rice, wheat, corn, and soybeans to be shipped out of a locality will be sold at government prices. Negotiated prices may fluctuate according to market demand and, in general, will not be lower than the unified purchase price. Grain departments at all levels should strengthen procedures in order to prevent individuals from making money from the price differences through fraud or irregularities. Offenders must be severely dealt with according to disciplinary measures and law.

The circular stresses: Reduction of the quota of grain to be purchased according to contract is aimed at increasing market purchases at negotiated prices. This will enable grain-growing peasants to increase their income from their surpluses and enhance their enthusiasm about increasing grain production. People's governments at all levels must strengthen their leadership over grain production work, make the reduction of the quotas of grain purchases by contract an important part of the rural work this spring, do their work well, and correctly handle the relationship between the state and the peasants. Before the start of spring farming, contracts of reduced grain purchasing quotas should be concluded with peasant households and grain production units; this will serve as guidance for production and achievement of a good grain harvest this year.

IMPORT TAXATION REGULATIONS EXPLAINED

HK310613 Beijing ZHONGGUO XINWEN SHE in Chinese 0257 GMT 28 Jan 86

[Text] Beijing, 28 Jan (ZHONGGUO XINWEN SHE) -- Question: What are the regulations concerning taxation on goods imported by enterprises funded by Overseas Chinese, Hong Kong, Macao, and Taiwan compatriots?

Answer: Enterprises on the mainland funded by the above-mentioned people are exempted from tariff, industrial, and commercial consolidation taxes while importing the following materials:

1. Machinery equipment, components and other material goods defined by contract as capital investment of investors "other material goods" means those materials needed by enterprises to expand factories and to install and reinforce machinery. The same applies below);

2. Machinery equipment, components, and other material goods imported with funds which are within the enterprise's total capital;

3. Machinery equipment, components, and other material goods imported by enterprises with additional capital with the approval of organs responsible for investigation and approval, whose supply cannot be guaranteed from Chinese sources.

4. Raw and semi-finished materials, necessary accessories, components, parts and packaging materials imported by enterprises for the production of export goods.

The above-mentioned tax-free imported materials should also be taxed according to regulations, if they are permitted to be to be resold in China or used in the production of goods to be sold in China.

5. Stationary and nonproductive daily necessities and vehicles do not fall into the tax-free category, and tariff, industrial, and commercial consolidation taxes should be defined. However, the equipment necessary for production management such as closed circuit TV sets, computers, and communications apparatus can be exempted from import tax as productive equipment according to regulations.

While importing the above-mentioned goods, enterprises should fill in an "import goods declaration form" for customs. If the imported goods belong to a category restricted by the government, enterprises should submit import licenses to customs for examination. Only after examination and inspection by customs can they be imported.

SPECIAL ECONOMIC ZONE PATTERNS REVIEWED

HK301500 Beijing JINGJI RIBAO in Chinese 25 Jan 86 p 1

["Weekend Forum" column by Wang Zhuo: "Have a Clearer Understanding of the Special Economic Zone From Shenzhen's Experience"]

[Text] The Shenzhen Special Economic Zone (shortened as Shenzhen SEZ) is something new. Its development has been so rapid, its changes have been so great, and its progress has been so quick that our understanding is apt to lag behind objective practices. Therefore, we should continue to learn from Shenzhen and to deepen our understanding of Shenzhen at various levels. The first thing is to understand the SEZ's economic pattern from the point of view of the relations between domestic and foreign trade.

Should the SEZ economic pattern be outward-oriented or open-style? Some scholars at home researching the SEZ economic pattern have been issuing propaganda about the SEZ's outward-oriented economic pattern for several years. What is an outward-oriented economic pattern? So far, there has not been a unified and clear explanation of this pattern. But, one thing which is clear is that what is called an outward-oriented pattern refers mainly to the relationship between exports and imports of commodities, including the relationship between exports and domestic sales. If the economy in the SEZ can only be regarded as having an outward-oriented pattern when its commodities are exported and cannot be sold at home then, it is in fact impossible for such an outward-oriented economy to exist in any country in the world, let alone in China. A commodity exchange is always a two-way process and exports are carried out for the purpose of imports. In a modern society, there can no longer be such a foolish landlord who exports his commodities, earns U.S. dollars from the exports and then locks the U.S. dollars in his safe and never spends them.

If an SEZ exports 60 percent of its commodities and thus attains its major goal of selling its commodities mainly abroad, can such an SEZ be regarded as one with an outward-oriented economy? To answer this question, we should first ask where the other 40 percent of the commodities should go. Can it be regarded as having an externally-oriented economic pattern only when these commodities may only be sold in the narrow market of the SEZ, which only has a population of several hundred thousand people? However, Shenzhen is a special economic zone established by a big country and has many exceptional economic advantages. Running Shenzhen as an export processing area is obviously an erroneous policy. The practice in the past few years has proven that Shenzhen is not an export processing area but is comprehensive multi-functional special economic zone. Therefore, we cannot regard the Shenzhen SEZ as one with an outward-oriented economic pattern.

Of course, we all hope that our SEZs can put their commodities on the international market. This is a correct desire. However, if we fail to give play to the advantage of the hinterland's support to the SEZs and if we stress that the SEZs' commodities for exports are not allowed to sell at home, then we are simply tying the hand of our SEZs. By so doing, our SEZs will become bases for marketing goods abroad rather than port cities for the development of export and import trade.

I do not agree to the idea of the "outward-oriented pattern," and uphold the idea of the "open-style pattern." This is precisely aimed at giving all-round play to Shenzhen SEZ's special advantages. Our SEZs should be open to both the outside world and the areas at home. In regard to funds, they should implement the principle of drawing in funds from abroad and raising funds through cooperation at home and thus combine those two advantages and those two forces. Externally, they should export more commodities and import more technology, equipment and necessary means of production and consumption; and internally, they should transfer more new technology, equipment, and commodities to other areas at home. They should also utilize the personnel, technology, and commodities of the areas at home. Combining the two advantages and forces of introduction from abroad and cooperation with other areas at home will facilitate introducing technology from abroad and developing our import and export trade as well as marketing our commodities abroad.

The second level is to understand the SEZs' pivotal role in light of the relations between two markets. Markets are of prime importance in developing a modern commodity economy. By calling Shenzhen a pivot, we mean that it is a pivot linking the two markets at home and abroad. As a result, the area of the Shenzhen SEZ is not large, but it has access to two big markets with great capacity. Therefore, the Shenzhen SEZ is provided with the best conditions for fully utilizing the advantages of two kinds of funds, resources, and technology.

In order to give play to the Shenzhen SEZ's pivotal role, we should study its market patterns. The first market pattern is the outward-oriented market pattern upheld by some scholars researching the Shenzhen SEZ's economy. It is in fact the market pattern of an export processing area. According to this market pattern, the SEZ commodities can only be sold abroad, but are not allowed to sell at home. This is a self-enclosed market pattern. This market pattern benefits neither the SEZ nor the state. The second market pattern is the market pattern of an open-style economy. This market pattern embodies the radiation function of "two fan-shaped areas," and the pivot that links the two markets at home and abroad. In practicing this market pattern, we regard the market at home as the prop and the market in Hong Kong as a springboard, and focus on directly opening up international trade markets far away. The third market pattern is where the state turns the SEZ into a forward position for our country in developing international trade -- a forward position for both import and export trade and entrepot trade. This market pattern is the best one for implementing the strategic principle of the state setting up the SEZs and the SEZs service the whole country. At the present stage, the Shenzhen SEZ should practice the second market pattern and conscientiously create conditions and strive to achieve a transition to the third market pattern. The precondition for the Shenzhen SEZ to conduct the second market pattern is the state's implementation of rational trade policies for the Shenzhen SEZ. In the main, we should have the following trade policies.

1. The policy on export trade. Should we utilize the Shenzhen SEZ's special advantage in being an area bordering Hong Kong, in particular the advantage of exporting fresh and live commodities, or should we restrict this export advantage? This is an issue concerning macroeconomic results. I propose that we adopt the method of tendering for production costs in export trade and resolutely implement the principle of selecting the finest goods for export. We allow those whose export costs are the lowest to export their goods first. Only by so doing can we effectively implement the principle of export competion and actually manage to award the advanced, spur the backward, and eliminate the inferior through competition.

2. The policy on entrepot trade. We should utilize Shenzhen SEZ's advantage in developing entrepot trade, including cross-broder entrepot trade. In order to do that, we should draw up some new stipulations concerning our policies. From the point of view of development prospects, the relations between the Shenzhen SEZ and Hong Kong ought to become relations between two sister port cities. The two cities should utilize each other's strong points to offset their weak points, develop together, and thus form an international trade center on an even larger scale.

3. Import trade policy. We implement a policy of forbidding, restricting, or encouraging imports, depending on the different nature of those imports. In regard to a commodity whose import is banned, one unified policy should be implemented throughout the country to carry out the ban; the SEZs are no exception. In regard to the commodities for which there is an import restriction, certain preferential policies should be allowed to the SEZs and the import of these commodities should be controlled by quotas to be fixed every year.

4. The policy on the domestic sales of SEZ products. In regard to the durable consumer goods that the SEZs import for their own use and of which the state restricts the import, we should adopt policies of banning or restricting their domestic sales in other areas in light of the different nature of the goods. The commodities produced by the Shenzhen SEZ should not come under the category of commodities whose import is controlled by the state, and their sale in the domestic market should be permitted under the condition of bearing the same tax burden. The domestic market sales proportion of commodities produced by the Shenzhen SEZ using some imported components should be determined by the proportion of production costs in China-produced articles. The state should adopt a policy of encourage the Shenzhen SEZ to transfer the advanced technology introduced from abroad to inland areas.

The third level is to understand the question of why the state allows special policies for the SEZs from the point of view of the relations between the state and the SEZs. Why has the state established the SEZs? The answer is it has established them in order to attain the magnificent goal of modernization. Several decades of experience have already proven that the implementation of the system of closing the country to international intercourse and completing internal cycles in isolation does not facilitate an early attainment of the magnificent goal of the modernization of our country. However, no one is sure how we are to open up and what will be the result of opening up. Therefore, it is first necessary to have an "experimental plot.'' However, tilling the experimental plot is not the end but is a means. It is aimed at carrying out the "production in the field" and solving the problem of how the policy of opening up is to be implemented throughout the country.

Initial success has already been achieved in the "experimental plot" in the Shenzhen SEZ. The Shenzhen SEZ has been set up on a "barren tract of land." However, the experience provided by Shenzhen is by no means the experience of developing modern economy on a "barren tract of land." It is obviously a misunderstanding to regard the Shenzhen SEZ's successful experience as the experience of establishing economic development zones on "barren tracts of land." As this is a method that needs much imput and brings slow return, a poor country should not adopt it, nor will a rich country.

Our conclusion is: SEZs are the outcome of special policies, and special policies are the lifeline for SEZs. My conclusionis: Special policies must be implemented in carrying out the policy of opening up. My conclusion is: The policy of opening up is a set state policy for our country and will never changed. If there is to be any change, it should only be a change to improve it. Our SEZs are windows for our country's policy of opening up, through which foreign friends can have a clear view of our country's opening-up policy. Therefore, the SEZs will not be abolished nor will the special policies be revoked.

GOVERNMENT BODIES OUTLINE STEPS FOR 5-YEAR PLAN

HK281221 Beijing LIAOWANG in Chinese No 2, 13 Jan 86 pp 6-7

[Article by a staff correspondent: "The First Step Taken in the Seventh 5-Year Plan -- New Information From Some Ministries and Commissions under the State Council" -- first two paragraphs are LIAOWANG introduction -- capitalized passages published in boldface]

[Text] This year is the first year of China's Seventh 5-Year Plan for National Economic and Social Development. The 5 years just beginning are extremely crucial to achieving the magnificient goal set by the 12th CPC National Congress for this century. In the new year, reform remains our most important task. Last year great achievements were made in both urban and rural reforms and the requirement "be prudent in fighting the first battle and be sure to win" set at the beginning of last year have thus been fulfilled. The main tasks for this year are to consolidate, digest, and supplement the achievements of reform, to promote what is beneficial and abolish what is harmful, to solve noticeable problems so that reform can produce better results, and to conduct earnest investigations, study, and explorative experiments so as to make preparations for the successful progress of next year's reform. As the new year began, various ministries and commissions under the State Council were busy. With the Seventh 5-Year Plan just starting, they were making arrangements for the work of specific departments and fronts for this year and during the whole plan period in accordance with the state's general outline of the Seventh 5-Year Plan. We selectively publish the plans of some ministries and commissions here. Although these plans do not cover all ministries and commissions, we can already sense the coming of spring.

THE OFFICE OF SPECIAL ECONOMIC ZONES UNDER THE STATE COUNCIL -- Director He Chunlin said: During the Seventh 5-Year Plan period, China is confronted with the task of further opening up to the outside world. China's special economic zones (SEZ's) will vigorously march toward the goal of building an export-oriented economy, fulfill their function as "windows for technology, management, knowledge, and our foreign policy," and more fully exploit their pivotal role in opening up to domestic businesses and foreign investors. In 1986 China's opening up to the outside world will be carried out in a selective, orderly, staggered and exploratory way in the SEZ's -- open coastal cities and coastal economic open areas -- hinterland areas. This will promote gradual implementation of the opening-up policy in all areas by drawing upon experience gained in these key regions from coastal to hinterland areas. This will also enable us to closely link the economic development of coastal areas with that of hinterland areas, to make the best use of both domestic and foreign resources and both the domestic and foreign markets, and to promote healthier development in the socialist modernization program.

In the new year, all SEZ's should vigorously advance toward the goal of establishing an export-oriented economy. They should take the import of outward-looking industrial production projects which are technologically advanced and highly capable of earning foreign exchange through exports and promise better economic results as the priority in their construction. Open coastal areas should continue efforts to import foreign advanced technology, to strengthen the technological transformation of existing enterprises, to strive to run Chinese-foreign joint ventures and cooperative enterprises, which have approval for operation, well, and to establish economic and technological development zones in a planned and step-by-step way. Coastal economic open areas should further work out and implement their development plans in line with their own resources and strong points and according to the "trade-industry-agriculture" principle so that more competitive commodities can enter the international market.

THE STATE ECONOMIC COMMISSION -- In an article, Vice Minister Zhang Yanning said: The general economic objective China expects to achieve over the last 5 years of the 1980's, or longer, will serve as the foundation for building a modern socialist economy with Chinese characteristics. During this period, it is necessary to strive for a steady growth of the national economy. The economic work of enterprises should be carried out in line with the goals of improving performance and modernizing operations and management.

The specific plans are as follows: 1) A system under which a director or manager assumes full responsibility will be introduced throughout the country. 2) The fatal weak points of poor product quality and huge material consumption will be overcome and a set of management rules and regulations or a management system will be worked out or set up. 3) A good job will be done in managing market supplies, and a buyers market in which general supply slightly exceeds general demand will be created. 4) Close attention will be paid to the groundwork of enterprises in technical standards, quotas, measurement, statistics, basic rules and regulations, and elementary education. 5) Efforts will be made to modernize management and to apply the achievements of modern science and technology in practice so that enterprises can choose their work targets in the light of their own conditions and achieve the world, national, or regional advanced levels of the same trade by stages.

THE MINISTRY OF FINANCE -- Minister Wang Bingqian said: Financial work in 1986 will focus on striking a balance between revenue and expenditure, carrying out reforms in various fields of endeavor, and attaining better economic results. First, great efforts will be made to boost revenues and reduce expenditures and to do a worthwhile job in enterprise taxation and financial and tax departments should institute and perfect administrative rules and regulations and rigorously enforce tax laws and discipline, and at the same time, continue to control and reduce expenditures and put an end to waste.

In 1986, in our financial spending, we will prominently ensure the needs of key development projects, economic reforms, and investment in intellectual resources and increase necessary expenditure on agriculture. Second, continued efforts will be made to perfect the financial and tax systems. This year we will give a gradual regulatory tax reduction to large and medium enterprises with heavy tasks in technological transformation and production of export goods, have made great contributions to the state, and on which a regulatory tax is levied at a high rate and we will continue to steadily increase the depreciation rate of the fixed assets of enterprises. We will also take further steps in perfecting the industrial and commercial tax system, exploiting the role of taxation as an economic lever to the fullest, and improve and perfect foreign-related tax laws. Third, appropriation of special funds and financial discounts will be practiced and some key enterprises will be supported in carrying out technological transformation and importing foreign technology.

THE MINISTRY OF FOREIGN ECONOMIC RELATIONS AND TRADE -- Some new policy measures will be taken this year, such as paying keen attention to the establishment of a production system of export goods and energetically increasing the state's ability to earn foreign exchange through exports. The production of major farm and sideline products for export use will be carried out mainly in specially selected producing areas, and production bases for exports will be established. The production of industrial products for export use, including machinery and mining products will be carried on mainly by selected factories (mines) in big cities with a quite sound industrial foundation, particularly in coastal cities and mineral-producing areas, and specialized export factories (mines) will be set up. The designated export production bases and specialized factories (mines) will no longer undertake to turn out products to be sold on the domestic market for the state so that they can concentrate on gradually producing a large batch of marketable good-quality, low-cost, highly-rated brandname goods whose delivery is punctual, thus becoming the mainstay in gaining foreign exchange earnings through exports for the state. In addition, we will also tighten control over foreign trade transportation, impose strict controls on exports to Hong Kong and Macao, and strengthen antismuggling work and foreign exchange control.

THE MINISTRY OF WATER RESOURCES AND ELECTRIC POWER -- At a press conference held a few days ago, Minister Qian Zhengying dealt with the ministry's 10 tasks to be fulfilled in 1986. 1) In power construction, generating units with a capacity of 5 million kilowatts were commissioned in 1985. This figure will be doubled in 1986. 2) The Longyangxia power station, the "cock" of the Huang He ladder-like development project, will begin storing water and its first generating units will begin generating electricity. 3) Every effort will be made to ensure three or four generating units of the Gezhouba project can generate electricity. 4) The projects diverting water from the Bi Liu He to Dalian and from the Huang He to Qingdao will be completed and the project designs for the project diverting water from the south to the north are to be examined and passed. 5) The construction of the Yangzhouyong Hu Reservoir in Xizang, China's highest reservoir in above-sea-level terms, will be started. 6) Continued efforts will be made to make electricity universally available in the rural areas of a county or several counties. 7) A big step will be made in encouraging local people to set up power stations by using their own funds. The total power capacity is expected to top 10 million kilowatts. 8) People engaged in water resources and electric power work are to be urged to enhance their cultural and ethical standards. 9) Trade management will be strengthened and programs for water resources development, power development, and water resources and waterpower science and technology development will be drafted and formulated. 10) ZHONGGUO DIANLI BAO (CHINA ELECTRIC POWER NEWS) will be renamed ZHONGGUO SHUILI DIANLI BAO (CHINA WATER RESOURCES AND ELECTRIC POWER NEWS).

THE MINISTRY OF COAL INDUSTRY -- The central task of China's coal industry in the 5 years ahead is to ensure the demands of the national economy for its development, to increase coal production by 40 million tons a year, and to strive to achieve, at the completion of the Seventh 5-Year plan, a coal output of 200 million tons more than the figure in 1985. At the same time, the focus of the development of the coal industry will be shifted from concentrating on coal output in the past to attaining better economic results, improving coal quality, increasing coal product varieties, and expanding coal export.

During the Seventh 5-Year Plan period, the Ministry of Coal Industry will have the long-term target of endeavoring to change the image of China's coal industry. As the first step, the modernization of the coal industry will be significantly advanced and the rate of mechanization of the industry will reach 30 percent. Coal mines will be extensively equipped with advanced gas testing and controlling devices so as to greately improve safety conditions in operating coal pits.

Over the next 5 years, coal development and production will be centered in Shanxi, Nei Monggol, Henan, Hebei, Heilongjiang, Jiangsu, Anhui, and Shandong. At present, as far as coal mining is concerned, the country is roughly divided into three regional belts. During the Seventh 5-Year Plan period, the coal-deficient regional belt composed of the eastern and northeastern regions of the country will step up coal extraction and reduce the influx of coal from other parts of the country. In the Shanxi energy base, the central coal base east to the Huang He will maintain a certain rate of development in coal production and increase the volume of coal shipped out to other parts of the country and the regions west to the Huang He including Shaanxi, Gansu, and Xinjiang will make preparations for the future westward shift of coal development.

THE MINISTRY OF RAILWAYS -- During the Seventh 5-Year Plan period, in railway construction efforts will be made to strengthen the technological transformation of existing railway trunk lines to rapidly increase the transport capacity of railways, and build an appropriate number of new railway trunk lines to provide the necessary staying power. The general principle for railway construction is to practice careful calculation and strict budgeting, to economize an investment funds, to improve operation, and to expand the freight volume of railways. In railway construction, we will give priority to intensive development and tapping potential. The priority in railway construction during the Seventh 5-Year Plan period is to strengthen the construction of four major thoroughfares, namely, the route for carrying Shanxi coal to other parts of the country, the main railway line linking the north and the south, the thoroughfare linking coastal port cities and the hinterland areas, and the route linking various major economic regions of the country. Through tapping potential and technological transformation, some of the railways in these four thoroughfares will be turned into electric or multiple-track railways. Meanwhile, we will build a new railway lines linking Houma and Yueshan, Shangqiu and Payang, Baoji and Zhongwei, Xian and Ankang, Nanning and Kunming, and Guangzhou and Zhangzhou. By the end of the Seventh 5-Year Plan, the combined length of railways will top 58,000 km and their comprehensive carrying capacity will amount to 1.6 billion passenger-journeys [ren ci 0086 2945]. Their freight volume will reach 1.7 billion tons.

THE MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY, AND FISHERY -- The priority of the ministry's work in 1986 is to persistently conduct sweeping reforms, to continue to readjust the rural production structure, to strengthen service work, and to promote the steady and coordinated development of agriculture.

The Seventh 5-Year Plan period is a crucial one for thoroughly restructuring the rural economy, laying a foundation for achieving a comparatively affluent living standard, and for ensuring that the rural economy will have staying power for its further development. During the period, the rural economy will be developed in an overall, coordinated, sustained, and steady manner.

To achieve this objective, in 1986 continued efforts will be made to readjust the rural production structure. What counts in this endeavor is to maintain the steady growth of grain production and to simultaneously develop the primary, secondary, and tertiary industries, with agriculture, forestry, animal husbandry, sideline occupations, and fishery as the main areas. Production of industrial crops will be carried out according to market demand in a planned way, with the stress on improving product quality. In the service sector, importance will be attached to animal husbandry and the aquatic products industry. Township enterprises will be healthily developed in line with local conditions and on the basis of doing things according to one's ability. Existing enterprises will be consolidated, their operations will be re-oriented, and their performance will be improved.

THE STATE EDUCATION COMMISSION -- The year 1986 is a year for implementing the decision of the CPC Central Committee on reform of the educational system in an overall manner. In the new year, a solid job will be done in organizing the "construction" of a 9-year compulsory education program. In elementary education, a new teaching order with teaching as the dominant factor will be established. The overall reform of primary school curricula will be strengthened. In secondary and primary school education, about 3 years will be spent in carrying our experiments for reforming ideological and moral courses in primary schools and political courses in middle schools. Continued efforts will be made to readjust work in relation to the teaching of courses in mathematics, physics, chemistry, and English.

In higher education, further readjustments will be carried out in education, curriculum, and administration and the offering of disciplines. A further step will be taken in experiments in the assessment of titles of professional posts and the implementation of a job assignment system according to titles of professional posts in institutions of higher education. A good job will be done in experimentally reforming the enrollment of students and job assignment for the graduates from institutions of higher education. Education work among postgraduates and conducted in teaching liberal arts in universities.

Energetic efforts will be made to develop vocational and technical education and adult education as well. Moreover, pedagogical education will be vigorously developed and the training of active teachers will be increased.

THE CHINA TRAVEL AND TOURISM BUREAU -- Director Han Kehua said: During the Seventh 5-Year Plan period, the bureau will concentrate on the following four construction tasks: 1) Human, material, and financial resources will be concentrated on building tourism-related projects in key tourist cities and increasing their overall abilities to handle tourists or visitors. Necessary construction projects will also be carried out in second-category tourist spots and routes so as to enhance their abilities to receive tourists or visitors. 2) Training for personnel engaged in the tourist industry will be strengthened. From now on we should start drawing up a 5-year plan and an annual plan, take effective measures, and speed up training for personnel engaged in the tourist industry so as to meet the demands of the industry's development. 3) Publicity work in tourism should be better conducted and in particular, realistic methods should be used in carrying out such work abroad. 4) Travel agencies and hotels should constantly increase their overall abilities to handle tourists or visitors, offer better service, and enhance their abilities to compete internationally.

COMMENTATOR CRITICIZES ILLEGAL LAND SALES

HK290637 Beijing NONGMIN RIBAO in Chinese 16 Jan 86 p 1

[Commentator's article: "Strictly Forbid Buying and Selling Land"]

[Text] This paper has received a number of letters of late which reveal the phenomena of buying and selling land in rural areas, a practice which should arouse the grave attention of departments concerned of all localities.

From the situations described in the letters, the methods of buying and selling land are various in some places, some buying land then selling it, some buying land and building houses on it before reselling it, others buying land for the purpose of running enterprises, still others buying land to build houses for rent; and there are organs which have acted as go-betweens for individuals purchasing land, making a profit. In short, land under public ownership has been dealt with as a privately owned commodity. The land sold used to be family plots or hill slopes, courtyards, or farmland under contracted responsibility. The methods of buying and selling land can be secret or out in the open. The some localities, it is even carried out completely in the ways of the old society, with the two parties involved signing a contract, the presence of the go-between, witnesses, and the persons who drafted the contract; and initialing ceremony, and the buyer holding a banquet when the bargain is finally made.

Particularly grave is the fact that in the buying and selling of land, some leading organs and leading cadres at county and township levels are involved. Some are buyers of land, some become go-betweens, and other draft the contracts. And that their dignified names should have gone down on those contracts! The fact that some cadres have taken the lead in buying and selling land has made the masses indignant, and they accuse those cadres, asking them what has happened to party discipline and the law of the state. When these people take the lead, others who engage in buying and selling land will have nothing to be afraid of, doing business with an ease of mind. So we can see how pernicious the influences of the practice are.

The phenomenon of buying and selling land has caused some adverse consequences in some localities. They have lost control over land administration, and precious farmland has gradually shrunk in area, which has had an effect on agricultural production. Some individuals have taken advantage in order to line their own pockets while injuring the state, the collective, and themselves in the end, causing a violation of law.

According to the stipulations of China's Constitution, the land in the rural areas, whether it is family plots, family hillslopes, courtyards or farmland under contracted responsibility, all belongs to the collective. Individuals have only the right to use it, but do not own it. The person who uses the land is forbidden to sell it, to sell it in a disguised form, to hire it out, or to transfer its use to others; neither is he allowed to build houses or to dig graves on the land under contracted responsibility, nor to injure the farmland by digging up the soil on it to make bricks or tiles. In the case of land belonging to a collective and occupied by the state for construction purposes, they must comply strictly with procedures for land requisition based on legal stipulations, and the collective should not sell its land without sanction. Relevant land decrees have made explicitly specific stipulations regarding this.

Buying and selling land without sanction is conducted in violation of the law. Departments concerned of all localities must seriously implement the relevant stipulations in the Constitution, and resolutely put a stop to the practice, in order to protect socialist collective ownership of the laboring people from being violated and to safeguard the dignity of the law.

TRADE-INDUSTRY-AGRICULTURE POLICY RECAPPED

HK270457 Shanghai SHIJIE JINGJI DAOBAC in Chinese 13 Jan 86 p 2

[Report by special correspondent Wang Yanqing: "Implementing the Trade-Industry-Agriculture Policy Is An Inevitable Trend in China's Coastal Areas"]

[Text] In an interview with this correspondent a few days ago, Bian Jiang, a responsible person in the Ministry of Agriculture, Animal Husbandry, and Fishery, stressed that China's coastal areas, suburbs of open cities, special economic zones, and border areas should give priority to the development of products which can earn foreign exchange funds through their export in the order of trade, industry, and agriculture and with international markets in mind.

Bian Jiang said that China's coastal rural areas have a comparatively solid material foundation. Particularly with the implementation of the policy of opening up to the outside world, their status and leading role in the country's agricultural production has become more noticeable. The 1984 output value of the Chang Jiang and Zhu Jiang Deltas, the Xiamen-Zhangzhou-Quanzhou triangle area in southern Fujian, and the Jiaodong Peninsula constituted 12.5 percent of the country's total agricultural output value. The area of these four regions comprises only 1.2 percent of the nation's total and their urban and rural population accounts for 6.8 percent of the country's total population.

He said that judging from world economic trends and the laws governing China's economic development, implementing the trade-industry-agriculture policy in the country's coastal areas is an inevitable trend. Recently the state has pointed out that priority should be given to the export of fresh and live commodities, processed foods, and light and textile products for a certain period in future. This means agricultural industries in the coastal areas (including township enterprises) should be wholly responsible for the task of earning foreign exchange through the export of fresh and live products, and should undertake a considerable portion of the task of earning foreign exchange funds by means of exporting processed foods and light and textile commodities.

However, Bian Jiang went on to say that because of difficulties in implementing the "trade-industry-agriculture" policy at present, leaders in some places have not paid as much attention to agriculture as they have done to industry, commerce, and foreign trade. This state of affairs should be changed as quickly as possible.

He stressed that the specific step for implementing the trade-industry-agriculture policy is to gradually build outward-oriented agricultural industries of different types and at different levels in light of different conditions. Relying on their unique conditions of bordering on Hong Kong and Macao, the Shenzhen and Zhuhai Special Economic Zones should have their own agricultural industries, which are mainly outward-oriented. In agricultural investment, stress should be placed on absorbing and using foreign capital; as far as the sale of agricultural products is concerned, priority should be given to international markets. Strenuous efforts should be made to build an agricultural industry equipped with world-advanced science and technology and managerial expertise; to gain more foreign exchange earnings for the state through exports; and to provide experience for achieving agricultural modernization. Agricultural industries in the suburbs of such open coastal port cities as Shanghai, Jianjin, Xiamen, and Qingdao should be both suburban outward-oriented. With the further development of agricultural commodity production, the amount of agricultural products shipped by other parts of the country into big cities will be greater and greater, and agriculture in the suburban areas of these big cities will steadily become more outward-oriented.

Agricultural industries in the open economic zones and zones to be opened later in the Chang Jiang Delta, the Zhu Jiang Delta, the Xiamen-Zhangzhou-Guanzhou triangle area, the Jiaodong Peninsula, and the Liaodong Peninsula should currently be both inward and outward-oriented. Efforts should be made to create conditions for them to move to the track of outward-oriented development.

Bian Jiang pointed out that the Chang Jiang and Zhu Jiang Deltas and the Xiamen-Zhangzhou-Guanzhou triangle area are regions with adquate conditions for garnering foreign exchange earnings through exports. They should pay particular attention to the export of fresh and live commodities, above all else their exports to Hong Kong and Macao, and strive to gradually enter the Japanese, Southeast Asian, and Middle East markets. He said that at present, apart from continuing to improve the quality of fresh and live commodities in the Hong Kong and Macao markets and consolidating and expanding existing markets, they should give priority to the production of top quality and high-grade vegetables, beef, fruit, seafood, and flowers and plants whose supplies are deficient in our country.

Finally, Bian Jiang said that one of the priorities in China's production and construction during the Seventh 5-Year Plan period is the enhancement of the country's ability to earn foreign exchange through exports. Earning foreign exchange through the export of coastal areas' farm produce is an important aspect of the country's work to earn foreign exchange through exports. In close cooperation with the departments concerned and local authorities, the Ministry of Agriculture, Animal Husbandry, and Fishery will strengthen macroeconomic guidance and do a particularly good job in working out the development plans for the special economic zones, the suburbs of open cities, and the open areas, so that the leading role of the coastal areas in China's efforts to open up to the outside world can be brought into fuller play.

DEVELOPMENT OF HORIZONTAL ECONOMIC TIES URGED

HK281017 Beijing GUANGMING RIBAO in Chinese 18 Jan 86 p 3

[Article by Lu Xiansheng: "Establishing Ties With 'Distant Relatives' and Neighbors - An Issue of Horizontal Economic Integration"]

[Text] At an economic and technological coordination meeting in the Zhongyuan area not long ago, mayors and commissioners of 15 cities and prefectures in the region where Shanxi, Hebei, Shandong, and Henan border one another unanimously expressed the view that in future horizontal economic integration, it is necessary to establish ties not only with "distant relatives," but also with close neighbors, and that it is necessary both to break away from regional limitations and to develop regional cooperation. This is very good. They have introduced a problem which merits attention in developing the current horizontal economic relationships.

The socialization of production and the consistent development of commodity economy have helped develop the economic relationships within a country and even in the whole world. In the modern economy, an enterprise or a region cannot be absolutely self-reliant. It cannot help but have relationships with other enterprises or regions. Production in an enterprise or a region is generally carried out with fuel, materials, and equipment from other enterprises or regions, and its products are sold to many parts of the country or even abroad. This situation determines that our horizontal economic integration and cooperation must be based on the natural relationships of the economy under the criterion of obtaining the best economic results. We should try to obtain anything beneficial to developing production and improving economic results, even if it is in the most remote area of the country; anything not needed for the development of production and which does not produce good economic results should not be obtained, even it it is close at hand. This is called establishing ties with "distant relatives."

However, establishing ties with "distant relatives" should not contradict forming relationships with neighbors. If we can find ideal partners nearby for cooperation, why should we not take the initiative in cooperating with them so as to produce good economic results for society? Generally speaking, regions bordering one other are linked by common mountains and rivers and have similar customs and close economic contacts. We should encourage these relationships and cooperate in terms of materials, funds, technology, and talented people for the purpose of bringing favorable conditions into play. The emergence of economically cooperative regions in Shanghai, southwestern China, southern and central Liaoning, the Huai He, the Hai He, Bo Hai, and Zhongyuan, and the formation of various integrated bodies in recent years indicate that neighborly relationships are becoming closer.

In developing horizontal economic relationships, two ideas merit attention: one is "befriending distant regions while ignoring those nearby," that is, paying attention to economic integration and cooperation with other regions to the detriment of economic integration and cooperation in one's own region; the other is indiscriminately asserting that "distant relatives are not as good as neighbors," that is, arranging economic integration in one's own region without seeking partners in other regions. These two tendencies are not good. The correct thing to do is this: Ties should be established with both "distant relatives" and neighbors, in line with international economic relationships and economic results. Here we are required to remove barriers between departments and regions at different levels and to open various provinces, autonomous regions, large and small cities, and the rural areas to each other. In this way, we can prevent the practice of "establishing ties merely with neighbors" or "refusing to make contact even if close to each other," and will enable horizontal economic relationships to develop extensively.

YU GUANGYUAN VIEWS PLACE OF CULTURAL DEVELOPMENT

HK270935 Beijing GUANGMING RIBAO in Chinese 13 Jan 86 p 2

[Article by Yu Guangyuan: "Have a Clear Idea of the Place of Cultural Development in Social Development"]

[Text] I strongly favor forums on strategies for cultural development, and I would like to see more of such forums. We cannot confine ourselves to discussions on social development strategies. The issue of cultural development is also very important, and it is necessary to study strategies for cutural development. First it is necessary to have a clear idea of the place of cultural development in social development.

In order to address this problem, we will begin with the development of modern Chinese history. The May 4th Movement marked the beginning of the spread of socialism in China. Shortly after that, movements aimed at winning China's new democratic revolution and socialist revolution began. Thanks to these movements, we won the nationwide revolution in 1949, finished the socialist transformation of private ownership in 1956, and established our socialist system in the same year. All this was followed by a new phase of socialist contruction. The construction referred to here means the building of the two civilizations. Culture and civilization can be viewed as synonymous. Socialist construction refers to socialist cultural construction; culture referred to here is culture, in its widest sense. From this, we may derive an understanding of the place of culture in socialist development.

Some people suggest that culture has both a wide and a narrow sense. I think that it has at least three senses. The third sense is neither a wide sense nor a narrow sense. It is something "in between." I am suggesting that apart from "education, science, literature, and art," there are other things in people's material and spiritual lives and social relations that can be referred to as cultural activities.

This means that in addition to education, science, literature, and art, there are other cultural activities, such as eating, drinking, dressing, architecture, the use of daily necessities, public health and sanitation, sports, entertainment, and so on. There are also cultural activities in interpersonal relations, in intrafamilial and interfamilial relations. I think it is necessary to discuss the problem of culture in the "in-between sense." This discussion can help us culturally enrich all aspects of social life, enable cultural activities to play a more important role in all aspects of social life, and help us teach all members of our socialist society to improve their cultural quality through social activities. Of course, we will not overlook the importance of education, science, literature, and art.

The purpose of socialist construction is to meet the people's growing material and cultural needs. Naturally, there are many cultural needs. After the people's material needs have been satisfactorily met, their cultural needs will grow. In the economically developed areas along China's coast, people look forward anxiously to cultural development.

Next, we will discuss culture in a narrower sense which, according to the report to the 12th CPC National Congress, "refers to undertakings such as education, science, art and literature, the press and publication, broadcasting and television, public health and physical culture, and libraries and museums, as well as the raising of the level of general knowledge of the people." It can be seen from the above that both the features of a spiritual civilization as well as media are covered. At this point, the problem of defining the essence of a culture enters my mind. A culture is something created by the human race through its labor. However, not all things that have been created can be referred to as culture. A defining characteristic of human culture is perseverance from generation to generation. In modern societies, as a result of the development of information services and various media, those things disseminated by mass media have become another defining characteristic of a culture. The elucidation of the importance of culture in a narrow sense is an important feature of, as well as a starting point for, discussions on cultural development strategies.

At this point, we should devote some effort to discussing the problem of the relationship between social ideologies and cultures. They are different things. Some social ideologies, such as superstitious beliefs, are not products of cultural development. They are products of the development of foolishness and barbarism, which are antithetical to culture. However, modern social ideologies, socialist ideologies in particular, are inseparable from various cultures. Socialist ideologies are cultural products. First, as the crystallization of all human cultures, Marxism is the most important ingredient of a socialist ideology. A socialist ideology is formed by two types of things. The first type encompasses various social viewpoints, including philosophical viewpoints, political viewpoints, economic viewpoints, cultural viewpoints, artistic viewpoints, ethical viewpoints, religious viewpoints, and so on. The other type concerns social ideologies, such as art, ethics, and religion, and are not viewpoints. Together with philosophy, they were referred to by Engels in "Feuerbach" as four social ideologies. Marxist philosophical, political, economic, and cultural viewpoints are all cultural products as well as products of scientific research. They are all socialist ideologies. Socialist art and ethics are not viewpoints. Thus, they differ from the above viewpoints or systems of these viewpoints. However, on the one hand, since they have come into existence and developed with the hope of Marxism (their relationship with a culture was discussed in a preceding paragraph), they are inseparable from culture. On the other hand, there are also cultural elements in art and ethics. Thus, it is logical to regard socialist ideologies as a component of a socialist spiritual civilization or culture. In a socialist spiritual civilization, Marxism is the most important thing. It is the nucleus of a socialist spiritual civilization.

Cultural development is inseparable from, and must be based on, economic development. There has never been a single case of a highly developed culture not based on economic development. We can take the development of China's cultural undertaking as an example. China's economic development gives impetus to, and conditions, its cultural development. This is just one facet of the relationship between an economy and a culture. Another facet of this relationship is the impetus given to economic development by cultural development. As far as education, science, and technology are concerned, an increasing number of people have come to a realization and better understanding of the significance of this impetus. People are increasingly aware that advanced products materially represent an advanced spiritual civilization. However, they rarely study or publicize the impetus given to economic development by other cultural activities, and their understanding of this problem is far from adequate. We should devote further efforts to studying this problem and to propagandize it because of its importance in studying strategies for cultural development.

Both our cultural development and economic development depend on successful reform management. The reform of cultural undertakings is a complicated issue and I will not discuss it here. As for management, my definition is that "management is a social practice which directly yields results." Thus, we should compare "cultural management," which yields "cultural results," to "economic management," which yields "economic results." However, in cultural undertakings, there is also the problem of "economic management." This means that even cultural undertakings without income have the problem of producing cultural results with the minimum amount of labor. Thus, there is such a discipline as "cultural economics," highlighting the intersection of economics and cultural studies. Studies of subjective actions should be focused on the problem of "cultural management," which is inevitably linked to "economic management." "Economic management" in cultural work has special characteristics. One of these special characteristics is that this "economic management" is carried out "culturally." In working out strategies for cultural management, we should give serious thought to these problems.

HU YAOBANG COMMENDS FACTORY FOR SERVICE

OW281051 Beijing XINHUA Domestic Service in Chinese 1435 GMT 27 Jan 86

[By reporter Zhang Gaopeng]

[Excerpts] Shanghai, 27 Jan (XINHUA) -- Shanghai grinding wheel factory has worked hard to earn foreign exchange for the state by ensuring fulfillment of export tasks, although export profits were lower than those of domestic sales. Comrade Hu Yaobang fully approved of this placement of state interests above everything else, and pointed out: "We must have a policy to encourage such enterprises." Recently, the factory's staff and workers wrote a letter to Comrade Hu Yaobang to report on how they worked hard to increase exports in 1985 and on their future targets.

The factory full accomplished its tasks of exporting emery cloth, sandpaper, and other products in 1985, earning $5.14 million in foreign exchange, or $4,000 per employee, making it one of the top foreign exchange earners of China's lathe and tool industry.

Due to price hikes in cotton cloth and other raw materials in recent years, production costs for emery cloth have greatly increased. In addition, export prices have been limited on the international market. As a result, export profits are considerably lower than those of domestic sales. According to initial estimates when drawing up last year's production plan, the factory would lose more than 2.4 million yuan in revenues as a result of exports. Realizing that exports would affect the factory's revenues and the workers' welfare and bonuses, the notion that making export products was not in the interest of the factory began to spread among some comrades, who suggested that exports be reduced.

The factory's party committee and leaders held a joint meeting to discuss the problem. Yuan Yaozhu, secretary of the factory party committee, said: The state is still considerably short of foreign exchange. We must put the state's interests above everything else and do our share in earning foreign exchange for the state, even if this means that we have to suffer some losses. Xu Rufa, deputy director of the factory, said: We must not cut down on or give up exports just because our factory would earn less profits. We will lose our established international markets if we do so. Other comrades expressed their support for the two leaders.

With the leading body having achieved unified understanding, the factory held a meeting of intermediate-level cadres and one of staff and workers, which decided to launch educational activities in various forms to ensure fulfillment of export tasks despite obviously lower profits. Comrade Hu Yaobang learned about the factory's situation from internal material [nei bu cai liao 0355 6752 2624 2436], and he approved of what the factory has done. He specifically pointed out that we should have a policy to encourage such enterprises.

ZHAO ZIYANG STRESSES QUALITY IN TOURIST INDUSTRY

OW291950 Beijing XINHUA Domestic Service in Chinese 1430 GMT 29 Jan 86

[Text] Beijing, 29 Jan (XINHUA) -- The tourist industry should be an important component of China's economic construction. We whould regard the development of the tourist industry as an aspect of our national economic development strategy and include it in our national economic development plans. This is what Premier Zhao Ziyang said on the afternoon of 27 January when he received some representatives attending a national conference on tourism.

Zhao Ziyang also pointed out in his speech: In order to develop the tourist industry, we should pay attention not only to "hardware," but also to "software." We have already paid attention to "hardware," such as hotels, airports, and highways. However, we have not yet paid sufficient attention to "software," meaning the quality of tourist service personnel, the management of tourism, and the quality of tourist service. In other words, we have not paid enough attention to such questions as: how good the service personnel should be, how much we should develop the tourist industry, and what results we should expect from tourism in the future. Both the "hardware" and the "software" of our tourist industry are poor, particularly the "software."

Zhao Ziyang said: During the initial stage of the tourist industry, we must pay attention to training personnel and make efforts to build a good work force and foster a fine work style. If the hotels are well built but their management is very poor and fraught with unhealthy practices, it will be very difficult to expect good operation from them. The State Tourism Bureau should make great efforts to study this problem. In the subsequent course of developing the tourist industry, the leading departments at all levels should attach prime importance to improving "software," such as the quality of the work force, including tourist guides, service personnel, and management personnel, and the quality of management and services. First of all, we should resolve to properly run schools for tourist service personnel. If we lay a foundation in this respect and have qualified personnel trained, our tourist industry will grow in a healthy and solid way.

Zhao Ziyang emphasized: The development of the tourist industry has both quantitative and qualitative objectives. First, we should ensure good quality to make China's tourist industry enjoy a good international reputation. The key to good quality of tourism lies in good quality of personnel and in training qualified personnel.

The national conference on tourism, held by the State Council, closed in Beijing on 28 January.

HU QILI, HAO JIANXIU MEET RUSTICATED YOUTH

OW290626 Beijing XINHUA Domestic Service in Chinese 1412 GMT 28 Jan 86

[By reporters Shao Quan, Huang Zhimin]

[Excerpts] Beijing, 28 Jan (XINHUA) -- Amid rousing welcome and praise by the people gathered in the music hall of the Beijing Zhongshan Park today, members of the Shanxi report group told the people of the capital today how they started their careers and matured in Shanxi. The group, called "Good Children Having Lofty Aspirations in All Parts of the Country," is comprised of 12 young people of Beijing and Tianjin who have gone to work in the rural areas of Shanxi Province.

Hu Qili, Li Peng, Hao Jinxiu, and Zhang Jingfu, as well as leading comrades of the Beijing municipal party committee and the municipal government, had a cordial meeting with the group members and posed for pictures with them. They urged the group members to persist in working in the countryside and mountainous areas and make new contributions to the country's four modernizations drive.

Speaking at the meeting, Hao Jianxiu praised the young people from Beijing and Tianjin for supporting and taking part in socialist construction in all parts of the country and for their spirit of working hard with people in combating all sorts of difficulties. Hao Jianxiu said: It has been a glorious tradition of Chinese young people from big cities to support the construction in the interior and frontier areas of the country. Since the founding of the republic, 1 million young people of the capital have gone to the nation's frontier and interior areas to take part in revolution and socialist construction.

Hao Jianxiu pointed out: It is right for young people with lofty aspirations to support the construction of the interior and frontier areas, and this course should be fully reaffirmed. Today, some people have pointed out that the rustification of young people is a product of the "Great Cultural Revolution," and since the "Great Cultural Revolution" has been thoroughly discredited, the rustification of young people should also be discredited. This is a highly erroneous conception. Rustification of educated youths is a policy that was adopted before the "Great Cultural Revolution," and we will continue to adhere to this course, which we have pursued all along. In future, large-scale construction supporting the rural areas and frontier regions will continue to be a glorious responsibility history has given to young people with lofty aspirations.

Hao Jianxiu urged young people that during the four modernizations, they should have the courage to bring forth new ideas and stand on the forefront of reform, and they should also be good at bringing forth new ideas, always proceeding along the right track, and working hard to become an ethical and educated person with lofty ideas and a high sense of discipline.

Hao Jianxiu also urged all localities and party and government organs at all levels to pay attention to the rusticated youths' growth; earnestly help them deal with the real problems in their work and livelihood; pay attention to heightening their political consciousness and educational level; create a favorable environment for them; help them solve problems so they can become proficient personnel; encourage them to become more capable personnel in the course of socialist material and spiritual construction; and set an example in contribution to the prosperity of the country and the people.

FANG YI ON TRAINING TRADITIONAL PHARMACISTS

OW302040 Beijing Domestic Service in Mandarin 1200 GMT 29 Jan 86

[Text] According to our reporter Wang Juiting, Fang Yi, member of the Political Bureau of the CPC Central Committee, said this afternoon at the opening ceremony of (Guangming) Correspondence College of Traditional Chinese Pharmacology: At present the lack of many kinds of traditional Chinese medicines and the inadequate number and poor quality of traditional Chinese pharmacists are striking problems that must be resolved by medical, pharmaceutical, public health, and education circles.

Fang Yi said: The party Central Committee and State Council attach great importance to the development of traditional Chinese medicine and pharmacology. Since the 3d Plenary Session of the 11th CPC Central Committee, considerable progress has been made in this work. The establishment of the correspondence college on traditional Chinese pharmacology is a good action to meet the urgent needs of society and should be supported by all communities.

Fang Yi stressed: The correspondence course in traditional Chinese pharmacology is much more complicated and difficult than correspondence courses in liberal arts. To successfully run this institution of higher learning without walls, it is imperative to ensure the quality of education. While focusing on traditional medicine and pharmacology as its main content, the course should include the study of the distinctive characteristics of medicinal herbs. In running the school, constant efforts should be made to review experience and improve the school's work so as to train traditional pharmacists who can meet the actual requirements.

It has been learned that there are some 320,000 staff members and workers in the traditional Chinese pharmaceutical trade in our country, but traditional pharmacological technicians only account for less than 1 percent of this figure.

HU QIAOMU ATTENDS BEIJING SYMPHONY CONCERT

SK300808 Beijing BEIJING RIBAO in Chinese 19 Jan 86 p 1

[Text] On the evening of 18 January, amid the musical composition of "Dunhuang Dream," full of rough and unrestrained feeling, and the ebullient and majestic Third Symphony (Eroica) of Beethoven, the Beijing Symphony Orchestra presented its first performance since its establishment, opening a new chapter in the orchestra's annals.

Hu Qiaomu and Rong Yiren attended the concert to extend their congratulations on this occasion. Also attending the first performance were Rong Gaotang, Lin Mohan, Zhu Muzhi, Jiao Ruoyu, Jin Jian, Xu Weicheng, Bai Jiefu, and Lu Yu; and full-time music workers and music lovers, a total of more than 1,000 persons.

Prior to the concert, Chen Haosu, vice mayor of Beijing Municipality, delivered a speech in which he stated: Along with the steady upgrading of the cultural and educational standards of the people in the municipality, music will generally infiltrate into the people's daily life day by day. The newly established Beijing Symphony Orchestra should saturate the increasing demands of the masses and enrich their life with colorful and majestic contents in order to increase their lofty temperament and interest. The concert was conducted by Li Delun, honorary head of the municipal orchestra.

DENG LIQUN ATTENDS MASS CONCERT IN BEIJING

OW300247 Beijing XINHUA Domestic Service in Chinese 1549 GMT 29 Jan 86

[Text] Beijing, 29 Jan (XINHUA) -- Deng Liqun, member of the CPC Central Committee's Secretariat, Zhu Muzhi, minister of culture, Ding Guangen, minister of railways, and Wang Xun, secretary of the Secretariat of the All-China Federation of Trade Unions, viewed the performance of the "Voice of the Locomotive" mass music group this evening in Beijing. They warmly greeted this blooming flower of mass literary and art work.

The "Voice of the Locomotive" mass music group was formed on the basis of the mass singing activities at all the basic-level railway units in Beijing. About 3,500 railway staff members and workers took part in this evening's performance. Most of the songs were of their won composition. Some of the songs reflected fervent efforts to promote the socialist material and spiritual civilization in the railway department; ohters depicted railway staff members' and workers' endeavors in promoting the four modernizations; still others showed railway workers' pursuit of ideals; all had a profound mass foundation and were very inspiring.

CENTRAL LEADERS MOURN PASSING OF JURIST

OW300614 Beijing XINHUA Domestic Service in Chinese 1316 GMT 29 Jan 86

[Text] Beijing, 29 Jan (XINHUA) -- Comrade Wang Zhixiang, a noted jurist of our country, died of illness in Beijing on 16 January at age 96. A ceremony was held at the Beijing Hospital this afternoon for people to pay their last respects to his remains.

Wreaths were sent to the ceremony by Peng Zhen, Deng Yingchao, Nie Rongzhen, Hu Qiaomu, Liu Lantao, Lu Dingyi, Cheng Zihua, Xu Deheng, Yan Jici, Yang Jingren, Kang Keqing, Ji Fang, Zhuang Xiquan, Pagbalha Geleg Namgya, Hu Ziang, Qian Changzhao, Dong Qiwu, Tao Zhiyue, Yang Chengwu, Chen Ziadao, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Ye Shengtao, Qu Wu, Ba Jin, Ma Wenrui, Mao Yisheng, and Liu Jingji, as well as the CPPCC National Committee, the United Front Work Department of the CPC Central Committee, and the Central Committee of the Jiusan Society.

More than 300 people attended the ceremony, including Hu Qiaomu, Yan Jici, Yang Jingren, Qian Changzhao, Burhan Shahidi, and friends of Comrade Wang Zhixiang.

A native of Suizhong County, Liaoning Province, Wang Zhixiang taught jurisprudence for a long time before liberation. After liberation, he took part in drawing up the Constitution, the criminal law, and other laws and regulations and compiled or wrote such monographs as "On International Law." Before his death, he served as member of the Sixth CPPCC National Committee, member of the Central Committee of the Jiusan Society, and adviser to the Beijing Municipal Committee of the Jiusan Society.

HU QIAOMU ARTICLE COMMEMORATES HU YUZHI

HK280855 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 23 Jan 86 p 2

[Article by Hu Qiaomu: "Selfless and Fearless, He Served the Country Until Death -- Deeply Mourning Comrade Hu Yuzhi"]

[Excerpts] Comrade Hu Yuzhi was a vice chairman of the NPC Standing Committee and acting chairman of the China Democratic League.

He was an outstanding revolutionary who courageously struggled all his life for the cause of the people's democracy, national liberation, and social reform, and an important forerunner in China's progressive cultural publication undertakings. His unfortunate death from an illness represents a serious loss to our party, state, and people. We deeply grieve the loss of a loyal communist fighter who dedicated his life to the cause of China's revolution and construction.

After the founding of New China, he started GUANGMING RIBAO, China's first newspaper reflecting the demands of intellectuals. During his term of office as head of the general publications administration, he also set up a complete set of new, socialist publication institutions to publish a large number of revolutionary, progressive books and periodicals, as well as informative reading matter. He made indelible contributions in various ways such as developing people's diplomacy, popularizing Esperanto, and promoting the reform of our country's writing system. Particularly when he presided over the long-standing practical work of the China Democratic League, he faithfully followed the party's principles and policies on united front, was good at cooperating with nonparty comrades and listening to the views and demands of intellectuals, and dared to speak out for the interests of intellectuals. He opened up a new situation for the progress and development of the China Democratic League and worked conscientiously, bending his back to his tasks until his dying day. For many years he was a member and later a vice chairman of the NPC Standing Committee. He was bold in advancing suggestions beneficial to the state and the people and contributed greatly to the building of China's legal system and political power.

Comrade Hu Yuzhi was a good example of being never too old to learn and work. After the 3d Plenary Session of the 11th CPC Central Committee, he was inspired with revolutionary enthusiasm. He wholeheartedly supported the party's line, principles, and policies and the major policy decision of invigorating the domestic economy and opening up to the outside world. In an article written shortly before his death, he said: In the forthcoming year of 1986, we should carry out two tasks well: One is to persist in reform and to forge ahead, and another is to conscientiously study Marxist theory. Although he was advanced in age, he persisted in studying Marxist theory and concerned himself with state affairs. He paid particular attention to helping young comrades undertake work in "frontline" posts. He taught them by personal example as well as verbal instruction in the hope that they would be able to succeed in the revolutionary cause.

After the start of party rectification, he indicated on numerous occasions that he would sum up his life's career to see what was right and what was wrong and that by going so he would be able to give an account of himself to the party. He never talked about his merits and achievements in history. Shortly before his death, at the request of the Commission for Collecting Party Historical Data, he gave an oral account of historical data totaling more than 60,000 characters. In addition to narrating his personal historical experience, he paid more attention to summing up his shortcomings. He said: "This can be regarded as my personal summation which I hand over to the party in party rectification." What a lofty idea this was! Comrade Hu Yuzhi's life was one of faithfully and ceaselessly struggling for the party's cause; it was a fighting life, a revolutionary life. He was worthy of the glorious title of outstanding CPC member and loyal communist fighter. He was an excellent example of China's intellectuals dedicating themselves to the cause of communism.

SCIENCE ACADEMY OUTLINES RESEARCH TASKS

OW260950 Beijing XINHUA in English 0827 GMT 26 Jan 86

[Text] Beijing, January 26 (XINHUA) -- The Chinese Academy of Sciences will give priority to 32 nationally promoted research projects during the Seventh Five-Year Plan period (1986-1990), Lu Jiaxi, president of the academy, announced at a meeting here today.

In next five years, the academy will set up four pilot projects for bio-engineering, new chemical materials, robots and coal chemical engineering. In information sciences, the academy will focus on microelectronic technology, computer systems, data banks and communications networks, laser and robot research. The aim is to master technologies of producing integrated circuits of one micron designation, computer aided designs and second-generation robots.

In bio-technology, the academy expects to complete the research and experiments on B-type hepatitis vaccine, growth hormone genes of domestic animals, fish cell engineering, and some of the scientific findings will be put into production.

Other scientific research projects will cover non-crystal materials, structural ceramics, fluoride plastics, and new technology for coal and oil extraction, offshore petroleum projects and renewable energy development.

President Lu also listed the academy's tasks in basic research, with a view to preparing technological reserves for the country's economic construction in the 1990s. The academy, he said, will complete the construction of the electron-positron collider in Bijian, the heavy ion accelerator in Ganzhou, a 2.16-meter-diameter astronomical telescope in Shanghai, and build a number of experimental stations of biology and earth sciences.

SCIENCE, TECHNOLOGY 'WHITE BOOK' TO BE PUBLISHED

OW290836 Beijing XINHUA in English 0658 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- "A Guidebook to China's Science and Technology Policy", also called "The Science and Technology White Book", will be published annually beginning this year. Sources concerned told XINHUA this is the first time that China will publish such a document, which will be compiled by the State Science and Technology Commission, printed by the publishing house of science and technology documents and distributed by the XINHUA Bookstore.

The book will include topics such as: policies, developments and new trends in science and technology; organizations, staffing, and budgets; key research projects; new techology, major breakthroughs, and technological markets; and international cooperation, and patents. The first guidebook is 280 pages long and will be published this July.

ANHUI GOVERNMENT URGES STUDY OF LEADERS' SPEECHES

OW291045 Hefei Anhui Provincial Service in Mandarin 1100 GMT 26 Jan 86

[Excerpts] According to an ANHUI RIBAO report, on 22 January the leading party group of the provincial government called a meeting of all its members and of responsible comrades of leading party groups of all commissions and offices of the provincial government, urging them to study seriously the speeches of Hu Yaobang and other central-level leading comrades made at the recent meeting of cadres of central organs.

Wang Yuzhao, secretary of the provincial government's leading party group and governor of the province, chaired and addressed the meeting. He said: The speeches made by the central-level leading comrades are of far-reaching significance in that they enable us to understand correctly the current situation and the importance of reform, to play a leading role in rectifying party style, and to do a still better job in the last 5 years of the 1980's. We must proceed from reality and make a correct assessment of our work. We realize that our party style is by and large good, that the vast majority of our party members and cadres are good or comparatively good, and that they have done a great deal of fruitful work toward the fulfillment of the party's general task for the new period. However, we still have many shortcomings. There are still instances indicating varying degrees of unhealthy party style. The several manifestations of unhealthy tendencies pointed out by the leading comrades at the central level can also be found here. What is more, these unhealthy tendencies are rather serious in certain units and among some people. We must understand deeply that it is of utmost importance for leading cadres and organs to rectify party style, and that we must take the initiative in improving the style of our leading organs.

Comrade Wang Yuzhao pointed out: To rectify party style, we must, first of all, make a good conscientious effort to study the speeches of the leading comrades at the central level. It is imperative that we concentrate on studying the speeches for a certain period. Through such study, we will have a correct understanding of the current situation and of the importance of reform. We must note that our problems concerning party style, although they do not represent the principal aspect of our situation, are very harmful, indeed. It is imperative to correct them.

Comrade Wang Yuzhao further pointed out: In studying the speeches, we must examine ourselves by comparing what we do with what we must do according to the speeches. We must correct our mistakes while carrying out study. As for the few individuals who really have serious problems, it is imperative to clarify their cases through investigation and take a stern attitude in dealing with them according to the nature of their problems and the severity of their cases. Serious criminal offenders must be punished severely according to law. However, we should refrain from subjecting everyone to investigation and making a terrific din.

Wang Yuzhao added: Throughout the study, we must be bold and resolute. Once a problem is discovered, we must persist in correcting it instead of waiting. The provincial government should pay attention to its weaknesses, and should study and establish rules and regulations to correct the shortcomings and improve the style of its various departments.

Comrade Wang Yuzhao stressed: Study of the speeches of the central-level leading comrades must be linked with the provincial government's actual work. We must see to it that through study of the speeches, our work in all fields is pushed ahead and the quality and efficiency of our work are improved.

Comrades Meng Fulin, Zhang Dawei, Wang Houhong, and (Liao Huaisui), members of the leading party group of the provincial government, also spoke at the meeting. Other speakers at the meeting were responsible comrades of the leading party groups of various commissions and offices of the provincial government.

In his speech, Comrade Meng Fulin hoped that the comrades participating in the meeting would observe the principle that leaders should be the first to foster a good style and observe discipline. The participants unanimously expressed the resolve to take concrete action and set an example for everyone in the province in rectifying party style.

FUJIAN'S XIANG NAN AT MILITARY DISTRICT MEETING

OW290603 Fuzhou FUJIAN RIBAO in Chinese 17 Jan 86 p 1

[Text] "Units stationed in Fujian must carry forward the glorious tradition and take the lead in helping improve the general mood of society," emphasized Comrade Xiang Nan, secretary of the Fujian Provincial CPC Committee and first secretary of the party committee of the Fujian Provincial Military District, at the plenary meeting of the military district party committee today.

To implement the instructions of the party Central Committee and the Central Military Commission that military units should lead the van in rectifying party style, to review its work done last year, and to plan and make arrangements for this year's tasks, the Fujian Provincial Military District party committee held its first plenary meeting after streamlining and reorganization from 13 to 15 January.

Comrade Xiang Nan briefed the meeting on the excellent situation of Fujian's economic development and highly praised the units stationed in Fujian and the commanders and fighters of the Fujian Provincial Military District for their contribution to defending the four modernization drive and invigorating Fujian's economy. Comrade Xiang Nan said: Military work cannot be weakened and can only be strengthened under the new situation. Units stationed in Fujian, the Fujian Provincial Military District, and the People's Armed Force Department must remain alert as usual, be prepared at all times, conduct military training well, improve their military quality, and defend the four modernizations campaign. Attention must be focused on developing Fujian's advantageous mountains, seas, and being the home province of many Overseas Chinese. The military must understand well and make full use of mountains and seas, construct the "Eight Bases," and build well the home province of Overseas Chinese. In line with the new situation of opening to the outside and restructuring, the military must take lead in improving the general mood of society. In Danyang, Shishi, Meishan, and Shishan, the military and civilians cooperated well in local construction. Good conditions in these places attracted Overseas Chinese to contribute to further construction of their home towns. Abroad, these Overseas Chinese become our eloguent, convincing apologists.

Zhang Zongde, commander of the provincial military district, pledged at the meeting to build the units well, effectively rectify party style, and make greater contributions to revitalizing Fujian.

During the 3-day meeting, the Fujian Provincial Military District party committee discussed the central agenda item on how to strive for a fundamental turn for the better in party style and eventually formulated five measures for that purpose.

HAN PEIXIN GREETS JIANGSU WRITERS MEETING

OW300103 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 28 Jan 86

[Excerpts] A membership meeting of the Jiangsu Chapter of the Chinese Writers' Association opened this morning in Nanjing. Over 400 writers will be discussing the great task of developing the province's socialist literature at this meeting, which is the first grand gathering held by the chapter since it was founded.

Present at the meeting as guests were members of the Central Advisory Commission Jiang Weiqing and Liu Shunyuan; leading comrades of our province Han Peixin, Shen Daren, Sun Han, Sun Jiazheng, Hu Fuming, Chu Jiang, and Yang Yongyi; responsible comrades from mass organizations in our province; and veteran comrades, including Guan Wenwei and Bao Houchang.

Han Peixin, secretary of the provincial CPC Committee, greeted the gathering in an address on behalf of the committee. He expressed the hope that party committees and governments at all levels would further improve the style of leadership over the work of literature and create more favorable social and political environments for writers to ensure that their wisdom and talent will be brought into full play. He said: On the question of literary creation, it is not only necessary to pay attention to the social benefits of their works and emphasize the importance of their sense of responsibility to society. Our writers must go deep into the real life and step up their efforts to study so that they will continue to increase their theoretical knowledge and improve their literary proficiency and turn out works that are worthy of being called the great works of literature of our times.

On behalf of the Chinese Writers' Association, Tang Dacheng, secretary of the association's leading party group, also delivered a message of greetings at the meeting.

JIANGXI'S WAN SHAOFEN PRESENTS SCIENTIFIC AWARDS

OW290545 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 25 Jan 86

[Excerpt] The provincial people's government held a meeting at Binjiang Guesthouse in Nanchang this afternoon to present awards to outstanding 1984 scientific and technological projects. Wang Shaofen, secretary of the provincial party committee, attended the award meeting. Also present were Liu Fangren and Xu Qin, deputy secretaries of the provincial party committee; Wang Zemin, vice chairman of the provincial People's Congress Standing Committee; and Qian Jiamin and (Chen Guisun), vice governors.

WAN SHAOFEN ATTENDS JIANGXI RURAL WORK MEETING

OW291135 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Jan 86

[Text] According to a report by our reporters Qian Rui and Zeng Ai, a provincial rural work meeting opened yesterday in Nanchang. The main purpose of the meeting is to relay and put into practice the guidelines of the central rural work conference, to study Document No 1 of this year of the CPC Central Committee and Document No 1 issued by its General Office, to analyze and study the new situation and problems encountered in the province's rural reform and economic development, and to discuss and plan the rural work for 1986.

This afternoon's session was attended by Wan Shaofen and Xu Qin, secretary and deputy secretary respectively of the provincial CPC Committee; Pei Dean, Wang Baotian, and Lu Xiuzhen, members of the Standing Committee of the provincial CPC Committee; Zhao Zengyi and Wang Shixian, chairman and vice chairman respectively of the provincial Advisory Commission; and Sun Xiye, vice governor. The representatives to the meeting and responsible comrades of provincial departments concerned, numbering more than 500 in total, listened to a report entitled "Carry Out Intensive Rural Reform and Promote the Sustained, Steady, and Coordinated Development of the Rural Economy," delivered by Xu Qin, deputy secretary of the provincial CPC Committee.

Vice Governor Sun Xiye also addressed this afternoon's session.

RUI XINGWEN ADDRESSES SHANGHAI RURAL WORK FORUM

OW241209 Shanghai City Service in Mandarin 0100 GMT 23 Jan 86

[Excerpts] Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, addressed a municipal conference on rural work on 22 January. He urged cadres to acquire new knowledge and ideas and gain a correct understanding of the new situation in reform and the new changes taking place in the industrial structure in Shanghai's suburban areas. He urged them to exert efforts to promote the development of grain and fodder crops, two weak links. He also called on them to implement the policy of using the profits of industry to subsidize agriculture in order to ensure a sustained, steady, and balanced economic development in the suburbs.

Speaking of the trend of development in the suburban area, Rui Xingwen said: As a result of reform, crop cultivation and aquaculture have grown in scale and become more scientific and efficient. This has led to changes in the setup of labor force and the means of production, with more land and livestock concentrated in the hands of large or joint households, the embryonic form of Chinese-style family plantations. This development opens up new prospects for large-scale agriculture, with more stress on specialization, commercialization, and modernization, in Shanghai's countryside. He also pointed out: The suburban areas should achieve self-sufficiency in food grain supply and should provide urban residents with adequate supply of nonstaple foodstuffs. Efforts should be made to further promote commodity circulation and step up the second-stage reform in the rural areas.

Rui Xingwen urged all industries and trades to support the economic and cultural construction in the suburban areas. He said that the scientific-technological front should raise the level of support to agriculture, as should the cultural, educational, public health, and industrial fronts.

ZHEJIANG'S WANG FANG ADDRESSES STUDY MEETING

OW250549 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 23 Jan 86

[Excerpt] According to a ZHEJIANG RIBAO report, the provincial Advisory Commission held an enlarged meeting of its Standing Committee in Hangzhou from 9 through 22 January. The meeting's participants earnestly studied the party Central Committee's relevant instructions, discussed questions concerning intensifying the building of spiritual civilization and ideological and political work and improving party style, and mapped out a work plan for the provincial Advisory Commission in 1986.

Tie Ying, chairman of the provincial Advisory Commission, presided. Wang Fang, secretary of the provincial party committee, called on the meeting participants and spoke to them.

In his speech, Wang Fang first gave a positive evaluation of the work of the commission over the past year, and urged the commission's veteran comrades to do a good job in study and investigation in order to continue to offer good advice to the provincial party committee. He also wished them good health and a long life.

Comrade Wang Fang then made a clear exposition on the current situation, this year's reforms, and party style based on reality in Zhejiang. He said: Correctly understanding and analyzing the situation is the ideological foundation for persistant reform in accordance with the party Central Committee's line and policies. Reform must be carried out over the entire period of the Seventh 5-Year Plan. Reform should continue to be top priority in economic work this year. To fundamentally improve party style is the common aspiration of all party members. All Communist Party members, party cadres in particular, should unify their thought and action on the basis of the party Constitution. Only by doing so, can a fundamental improvement in party style be achieved.

GUANGXI CIRCULAR ON EXAMPLES IN CORRECTING STYLE

HK290849 Nanning Guangxi Regional Service in Mandarin 1100 GMT 26 Jan 86

[Excerpts] The regional CPC Committee recently issued a circular, demanding that organs at the regional level set an example in correcting party style.

The circular points out: Organs at the regional level must play a specific, organizational, and pivotal role in all aspects of work in the region. Whether the organizational work is good or bad and whether the pivot works well or not, has an extremely important bearing on whether all aspects of work in our region can be done well or not and on the bringing about of an upswing in Guangxi's economy as soon as possible. Therefore, to correct party style in the whole region, organs at the regional level must be in the van and set an example for the whole region. It is demanded that party, government, and mass organs in the region and party member leading cadres take the lead and that all levels grasp this work well so as to strive for noticeable improvement of party style in organs at the regional level this year.

The circular demands that the following problems be solved well:

1. It is necessary to seriously study the speeches of leading comrades of the central authorities and to further enhance understanding of the importance and urgency of correcting party style.

2. To correct party style and unhealthy trends, leadership organs and cadres at the regional level must first take the lead. In accordance with the practical situation of organs at the regional level, they must now seriously examine liberalism politically, ultraindividualism ideologically, and bureaucratism in work. Economically, we must lay stress on: the investigation and handling of the problems of illegal dealings in foreign exchange; of lining one's pockets with public funds or other people's money; of indiscriminately issuing loans; of taking advantage of issuing loans to pursue private ends; and of causing serious and large losses to the state; the serious problems of six aspects of organ's work style which are put forward by the circular of the general offices of the central authorities and State Council; and the problems of state cadres occupying land for the purpose of building private houses. It is necessary to commend and encourage the units and individuals who score outstanding achievements in correcting party style and unhealthy trends and to promptly readjust, or dismiss and replace, those leading cadres whose own work style is seriously wrong and who refuse to correct it, or who do not correct unhealthy trends vigorously enough and are really incompetent.

3. It is essential to seriously do well in grasping the thorough investigation and severe handling of large and serious cases. Leading cadres must implement the system of responsibility for correcting work style. In a department or unit where work style is not grasped well, the political responsibility of the leader of this department or unit must first be investigated and affixed. We must seriously investigate and deal with the party members who commit serious mistakes and party disciplinary action must be taken against those who violate the party Constitution. Those who violate the state law must be punished in accordance with the law. Those who get economic advantages must return what they have unlawfully taken. Those who refuse to mend their ways despite repeated admonitions must be dealt with most severely. Those who retaliate against people who report and furnish information must be severely investigated and dealt with once the situation is discovered.

4. It is imperative to draw a clear demarcation line between right and wrong and to seriously implement the party's policies.

5. It is necessary to strengthen leadership and to make good arrangements. The regional CPC Committee's party rectification leadership group is to be responsible for the work of correcting party style and unhealthy trends throughout the region. Organs at the regional level must set up party style correction leadership groups and set up offices in the CPC committees of organs at the regional level to handle routine work. The party groups and CPC committees of all departments and bureaus must organize work groups to grasp party style with the participation by party group secretaries, by organ CPC Committee secretaries, and by discipline inspection group heads. It is essential to really include the correction of party style and unhealthy trends on the agenda.

In conclusion, the circular demands: From now to the end of March, all units must organize party member cadres to study the speeches of leading comrades and the relevant documents of the central authorities for 2 and 1/2 days each week. Leading cadres at and above the departmental level must concentrate a period of time on study and simultaneously study, conduct discussions andinvestigations and make corrections in order to score achievements. It also demands: In accordance with the relevant spirit of the circular and in the light of the practical situation, all prefectural, city, and county CPC committees must make specific arrangements.

HENAN TO LIGHTEN ENTERPRISES' SOCIAL BURDEN

HK290757 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 23 Jan 86

[Text] The provincial people's government recently formulated interim regulations on lightening enterprises' social burden.

The regulations point out: Following the state's introduction of urban facilities maintenance tax, nobody is allowed to apportion any expenditure concerning the maintenance of urban facilities to enterprises. Except for voluntary social labor, body is allowed to apportion any project of urban construction to enterprises. Following the introduction of additional charges on education, governments and departments at all levels are prohibited from levying further educational charges on enterprises. When enterprise workers' children enter a school within the specified time, the school is prohibited from apportioning expenses to enterprises under any pretext. The enterprises should continue to actively run schools. They are prohibited from arbitrarily canceling, merging or reducing the present size of classes. In order to encourage the running of schools, the education department should allocate part of the collected additional charges on education to secondary and primary schools. No unit is allowed to levy administrative charges or to retain other charges on enterprises, nor is a unit allowed to ask enterprises to support it or donate funds or payment in kind without approval. No unit is allowed to arbitrarily levy fines on enterprises under any pretext. Except for the fines stipulated by the law and approved by the State Council and the provincial government, all localities must submit their procedures of imposing additional fines to the people's government at and above county level for approval. On the collection of fines, we must use the fine notice jointly published by the financial departments at prefectural and city levels. For fines concerning the violation of traffic regulations, we must use the fine notice jointly published by the provincial transport and public security departments. Everyone has the right of refusing the payment of a fine which is not supported by a notice. All revenue from fines is to be delivered to the financial departments for handling in accordance with relevant regulations.

Under special circumstances when it is necessary to raise funds among enterprises, we must follow the principle of voluntarism and acting according to one's capability. We must also go through the procedure of submitting the plan to upper levels for approval.

Such funds and materials collected must be handled properly in connection with the plan. Nobody is allowed to embezzle them under any pretext.

Enterprises have the right of refusing the payment of charges and fines that are not apportioned in connection with the regulations. If they encounter deliberately created pressure, difficulties or retaliation because of this, they should promptly report and complain to the party's discipline inspection departments and the government's judicial and auditing departments. These departments should accept their cases and handle them.

The regulations point out: Governments at various levels must strengthen their leadership. They should check those administrative and other charges collected from enterprises. Except for those approved by the State Council and the provincial government, all charges levied by the localities and departments without approval must be banned from being collected. Anyone who continues to arbitrarily levy charges on, or apportion expenses to, enterprises will be held accountable according to the seriousness of the case. In addition, all illegal income will be confiscated. We must take party and government disciplinary measures against those people who pay no attention to law and order but violate policies and abuse power. Also, we must affix their legal responsibilities.

HUBEI'S GUAN GUANGFU ON HONGHU NATURAL RESOURCES

HK310445 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 27 Jan 86

[Excerpts] Guan Guangfu, secretary of the provincial CPC Committee, conducted an on-the-spot investigation in Honghu. After listening to the report made by a responsible comrade of the county CPC Committee, he said: It is necessary to be determined to exploit and use the natural resources in Honghu. He said: To exploit and use the natural resources, it is essential to take the road of comprehensively raising funds, comprehensive exploitation, comprehensive harnessing, comprehensive management, and comprehensive benefit and to really build Honghu into a base for aquatic products, scientific research, and business. Due to existing long-term contradictions between the adjustment of water conservancy facilities and the breeding of aquatic products and fish and between the management system and exploitation and investment, the use rate of water surface in Honghu has been very low. Income derived from a mu of water surface is less than 22 yuan. In view of this, the Honghu County CPC Committee has put forward a plan for comprehensive harnessing of the rivers and lakes.

Comrade Guan Guangdu expressed satisfaction with this plan. He maintained that this plan is beneficial to both the adjustment and development of aquatic products. It is also advantageous to the guaranteed harvest on several 100,000 mu of low-lying fields in the lake areas irrespective of drought and floods. How do we carry out this plan? Guan Guangfu said: County authorities cannot rely on the upper level. Provincial authorities must not disregard this work, and departments concerned must not shirk their responsibility. It is necessary to mobilize positive factors in all quarters and to take all effective measures. We can set up a Honghu Aquatic Product Exploitation Company Limited, which will have full power to carry out management, exploitation, and operation. We can encourage fishermen to invest in the project and to take part in laboring work. We can encourage people inside and outside our province to invest in this project and we can also introduce foreign capital so that we can resolve the difficulties in the funds for exploiting Honghu. All levels and departments must show concern for and support the development of Honghu. We must be determined to build Honghu into a base for aquatic products, scientific research, and business, so as to promote the development and production of aquatic products in Hubei.

GUIZHOU CIRCULAR ON CENTRAL LEADERS' SPEECHES

HK271019 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 23 Jan 86

[Text] The provincial CPC Committee recently issued a circular, demanding that CPC committees and groups in all areas and units earnestly study the speeches delivered by central leading comrades at the central organ cadres meeting.

The circular pointed out that the important speeches delivered by Hu Yaobang and other central leading comrades at the central organ cadres meeting were important policy decisions and steps taken by the CPC Central Committee for further strengthening of the building of socialist spiritual civilization, and a mobilization order for bringing about a basic turn for the better in party style. Their speeches have not only inspired and encouraged comrades of central organs, but have also greatly inspired our cadres and party members in local organs. The provincial CPC Committee demanded that party and government organs at all levels earnestly study and deeply understand the spirit and essence of the speeches of the central leading comrades.

The circular stressed that provincial and prefectural party and government organs, leading groups in particular, must set an example in studying the speeches. Meanwhile, they must organize cadres and party members to spend some time on study. They must closely combine the study with earnestly studying and propagating the documents of the National Conference of Party Delegates. Party and government organs at county level must also arrange the study in light of their reality. They must have a good understanding of the main points of the study; conscientiously analyze the status quo of party style in connection with the reality in their own areas, departments, and units; examine the main problems in their own areas, departments, and units in comparison with the malpractices referred to by the central leading comrades in their important speeches; and grasp the work in four areas, namely, strengthening ideological education, perfecting the system and enforcing discipline, seriously investigating and dealing with important and major cases, and perfecting inner-party democratic life.

SICHUAN CIRCULAR ON CENTRAL LEADERS' SPEEECHES

HK270550 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 22 Jan 86

[Text] Following the central organ cadres meeting held by the Secretariat of the CPC Central Committee, the CPC Committee of provincial organs issued a circular urging all party members and cadres of provincial organs to study the important speeches delivered by central leading comrades at the meeting.

The circular reads: The speeches of the central leading comrades aimed at a clear target and raised explicit demands. The shows the determination of the CPC Central Committee to straighten out party style and is of great importance in improving party style and the general social mood.

The circular demanded that all units, in accordance with the spirit of the instruction of the provincial CPC Central Committee, promptly organize party members and cadres, particularly cadres above the section level, to earnestly study the speeches of the central leading comrades and to discuss the speeches in connection with reality after reading them repeatedly. They must combine study with reviewing the work in 1985 and arranging tasks for 1986. In the study, they must particularly discuss the problem: What should provincial organs do since central organs have set an example in straightening out party style? What should every party member or cadre do in this respect? Through study, leading organs and cadres and party members must straighten out their own style first. They must raise efficiency, study hard, enforce discipline, strengthen party spirit, and seriously improve party style so that provincial organs can genuinely set a good example to the whole province in this respect.

SICHUAN MILITARY DISTRICT CORRECTS MALPRACTICES

HK271025 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 23 Jan 86

[Text] In actively responding to the call issued by the CPC Central Committee Military Commission on Army and administrative organs above army level taking the lead in correcting malpractices, the CPC Committee of the headquarters of the provincial military district has organized cadres to seriously correct their wrong ideas in connection with reality, and mobilized them to thoroughly expose all malpractices in their own depart-departments.

The CPC Committee of the headquarters of the Sichuan Provincial Military District recently held an enlarged meeting to study relevant documents. In the course of study, they believed that there now exist three ideas disadvantageous to exposing and correcting malpractices. 1) The idea of [words indistinct]. Some people even contend that inviting others to dinner parties or sending them gifts is a requirement in their work. 2) The idea of small-group mentality. Some people believe that so long as they do not pocket money, they can use the money in any way they wish. 3) The idea of not washing one's dirty linen in public and reporting only the good news not the bad.

They started correcting malpractices by grasping people's understanding, deepened their understanding of the perniciousness of malpractices, and educated them to understand that cadres engaging in malpractices would weaken our Army and impair its image in the eyes of the people.

On the basis of deepening their understanding, all cadres of the headquarters of the provincial military district conscientiously examined their own malpractices by using the relevant documents as a mirror. The CPC Committee of the headquarters made the following decision: All sections and officers must thoroughly check all expenditures beyond the plan before the end of January and report them to higher authorities. They must investigate and handle all large sums of money assigned without authorization, to buy specially controlled commodities and lent to local units. No receptions should be given in excess of scale charges, and people should refuse receptions in excess of scale charges. No souvenirs should be issued during conferences.

SICHUAN LEADERS AT SPRING FESTIVAL GATHERING

HK260319 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Jan 86

[Excerpts] The Sichuan Provincial and Chengdu City People's Governments and the Chengdu PLA units held an Army-government forum in the Chengdu Jinniu Hotel in the evening of 25 January. Leaders of the province and city and of the PLA gathered together to greet the Spring Festival.

Present at the function were Yang Rudai, Nie Ronggui, Wu Xinhai, Bai Shangwu, Huang Qichao, Xu Chuan, and Xu Shiqin, responsible comrades of the provincial CPC Committee; Wan Haifeng, Zhang Taiheng, Shao Neng, Hou Shujin, Feng Yingshan, (Zheng Xing), (Zhang Changshun), Gao Shuchun, and (Kang Huzhen), responsible comrades of the PLA units; Yang Wanxuan, Song Wenbin, Han Zhengfu, (Wang Tangbo), (Luo Min), (Li Maying), and (Li Shaoyan), responsible comrades of the provincial Advisory Commission; He Haoju, Qin Chuanhou, Ji Chunguang, Meng Dongbo, Liu Yunbo, Liu Haiquan, Zhaxi Zeren, Wang Ao, Deng Zili, and Wang Yuanli, responsible comrades of the provincial people's Congress Standing Committee; Gu Jinchi, Liu Chunfu, Luo Tongda, Kang Zhenhuang, Ma Lin, Qiao Zhimin, Ding Changhe, and Guan Xuesi, responsible comrades of the provincial government.

Chengdu Mayor Hu Maozhou presided. Governor Jiang Minkuan and Chengdu Military Region Commander Fu Quanyou made speeches.

YUNNAN LEADER ON RURAL WORK PROBLEMS, TASKS

HK260315 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 25 Jan 86

[Excerpts] The Yunnan Provincial CPC Committee convened a provincial rural work meeting on 24 January in order to convey the spirit of the national rural work conference. Provincial CPC Committee Deputy Secretary Liu Shusheng spoke at the meeting on 25 January. He conveyed the spirit of the national conference, analyzed the current new situation and problems in rural Yunnan, and proposed the tasks in rural work for this year.

Liu Shusheng spoke on the following matters: 1) on the rural situation; 2) on persevering in reform and carrying it out in depth; 3) on grain; 4) on increasing agricultural investment; 5) on the question of some peasants getting rich ahead of others, and everyone getting rich; 6) on work in poor mountain areas; 7) on strengthening the building of spiritual civilization in the rural areas; 8) on strengthening leadership.

He said: Last year, despite serious natural disasters, output of all industrial crops in Yunnan showed a big increase, although grain production declined due to natural disasters. Forestry, animal husbandry, and fisheries registered relatively fast development. There was also big development of the township enterprises. Average net rural incomes are estimated to have increased by about 50 yuan.

On the question of reform, Liu Shusheng said: Since last year Yunnan, in common with the whole country, has entered a new stage of in-depth development in rural reform, achieving victories beyond expectation. The main hallmarks of this are: Readjustment of the production structure has taken new strides; there has been an initial change in the rural single-product economy; and we have started to enter a new period of developing commodity production to meet market needs.

However, we must also clearly realize that many new situations and problems have emerged in reform. We must solve these in the course of reform. This year we must further perfect the contract system, speed up reforms in the rural circulation field, further readjust the production structure, continually perfect the family farms popularized on state farms, and speed up the pace of reform of the agricultural science and technology setup.

On the grain question, Comrade Liu Shusheng said: Yunnan is a grain-deficient province. We cannot take lightly the question of grain production. As ours is a border province with poor communications, we cannot in the long term rely on the state to ship grain into the province to enable us to live and to readjust the production structure. All levels from top to bottom must, therefore, firmly embrace the idea of grain self-sufficiency, and also unswervingly implement the principle of developing diversified undertakings without any slackening of grain production.

The provincial CPC Committee has decided to reduce the contract grain procurement quota this year and to keep this unchanged for 5 years, and to increase the proportion of grain bought at negotiated prices, so as to increase the income of the grain-growing peasants. In areas where the commodity economy is relatively developed and income from industry and sideline occupations is relatively high, it is essential to stabilize grain production and practice the policy of having industry subsidize agriculture and grain, so that the interests of those engaged in industry and those engaged in agriculture can be regulated. We should continue to implement the favored treatment policies practiced in the past in areas producing marketable grain. Grain-growing areas are allowed to freely sell grain at negotiated prices to grain-deficient areas, so as to increase the peasants' income.

No contract purchases will be instituted in a few poor mountain areas. The peasants there can voluntarily sell their grain at negotiated prices, but they cannot go back to the old road of destroying forests to reclaim land for grain cultivation.

On the question of increasing investment in agriculture and improving the basic material conditions for agriculture, Comrade Liu Shusheng said: To take agriculture as the foundation is the guiding idea and fundamental guideline for China's socialist economic construction. However, in recent years, the province's investment in agriculture has been reduced somewhat, and we have neglected the agricultural contraction that might result. The provincial authorities are resolved to increase investment in agriculture, and all localities should do the same. The investment is mainly to be used in water conservancy construction and in popularizing agricultural science and technology, and so on, so as to improve the conditions for agricultural production and turn science and technology into productive forces, to create the conditions for sustained and steady development of agriculture and for the maintenance of reserve strength.

On the question of helping poor areas to extricate themselves from poverty and get rich, Comrade Liu Shusheng said: At present there are still some areas in Yunnan that are in a state of poverty. In those areas, the food and clothing problem for several million people has still not been solved. The common feature of these areas is poor production and living conditions and a very low level of peasant incomes and grain rations. To help these areas transform their appearance as soon as possible, we must solve the following problems:

1. Further unify understanding, get a clear picture of the guiding ideas, strengthen work in the poor areas, and help the peasants there to extricate themselves from poverty and get rich as soon as possible. This is a strategic issue related to sustained and steady development of rural economy, to nationality solidarity, to social stability, to consolidating the border regions, and to accomplishing doubling in agriculture. The whole party and all levels must work together to solve the problems of these areas, with all departments cooperating closely.

2. In guiding the work, we must act in light of local conditions and seek truth from facts. We must avoid treating all cases in the same way irrespective of the circumstances and acting in generalized ways.

3. We must further relax the economic policies.

4. We must attach importance to building spiritual civilization, and speed up the development of culture, public health, and education.

5. We must tangibly lighten the peasants' burdens.

GANSU LETTER ON STOPPING SPREADING MALPRACTICE

HK241029 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 19 Jan 86

[Text] Recently, (Li Jicheng), a correspondent of this station, wrote a letter, disclosing that the malpractice of some motor vehicle drivers at the Huajialing Road section in exchanging gasoline for eggs has become more and more serious.

The letter says: In the past this unlawful dealing was engaged in at the Huajialing Road section. Now it has spread to the bottom of the big (Zhujia) Shan near the Jingning County seat. At the short section of road at the big (Zhujia) Shan, the number of stalls and places where gasoline is exchanged for eggs is 40 to 50.

The letter says: One of the main reasons for this phenomenon is that some units which have motor vehicles have unlimited gas. The amount of goods transported and distance driven are merely based on drivers' reports. This has encouraged this malpractice which does harm to the state and which lines one's pockets with public funds.

The letter appeals to the units which have motor vehicles to strengthen education for drivers and control over the quantity of fuel. They must strictly enforce the regulations on public fuel, implement the system of personal responsibility, and plug all the loopholes. At the same time, it is hoped that the attention of departments concerned will be drawn to this and that they will take resolute measures to investigate seriously and deal with this unlawful dealing.

YIN KESHENG INSPECTS QINGHAI SPORTS FACILITY

HK210433 Xining Qinghai Provincial Service in Mandarin 2330 GMT 16 Jan 86

[Excerpts] On 10 January, comrades including Yin Kesheng, secretary of the provincial CPC Committee, and Bian Yaowu, vice governor, inspected the Duoba Sports Complex. During the course of inspection, comrades, including Yin Kesheng, watched a women's football game, archery, judo, weight-lifting, cycling, and a women's volleyball game. They also visited the players' dormitory, bathrooms, canteen, and vegetable greenhouse to understand the conditions.

Comrade Yin Kesheng said that after watching the players training he felt that the comrades had been working very hard. However, in order to score good achievements and to credit to our country, it is necessary to carry out strict training and set strict demands on trainees. Leaders must do well in serving the players.

In dealing with logistics work, Comrade Yin Kesheng said that in the management of players' livelihood, it is essential to strengthen catering work and to prepare meals in accordance with nutritional requirements.

SHAANXI SECRETARY ANSWERS PARTY MEMBER'S LETTER

HK160851 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 13 Jan 36

[Text] On New Year's Eve, Bai Jinian, secretary of the Shaanxi Provincial CPC committee replied to (Qin Xiaoping), an ordinary party member at (Liujiazhuo) Village, (Beijintou) township, Baishui County, praising his noble spirit in caring for the party's cause.

Comrade (Qin Xiaoping) has been afflicted with a lingering disease for years. Last year when he heard on the radio that the provincial CPC Committee was going to select and transfer cadres to stay at rural grass-roots units to help improve their work and gain firsthand experiences for guiding overall work, he wrote a letter to provincial CPC Committee Secretary Bai Jinian on 6 November because of the problems which existed several years ago when cadres went to rural grass-roots units.

In the letter he sincerely put forth suggestions and raised proposals. He put forth six suggestions in the letter.

1. It is necessary to assign tasks to cadres going to grass-roots rural units. Those who overfulfill their tasks should be praised and those who fail to fulfill their tasks should be punished. He believes that if the cadres are under no pressure and work flashily, they will not make a good impression on the masses and will treat work for the masses as a burden. He suggested that cadres going to grass-roots rural units should help peasant households develop production.

2. Cadres should not be allowed to hold concurrent posts at various levels. Because if they do so, it will be difficult for them to go to grass-roots rural units; and if they go to rural areas, they will just make rapid visits and give empty talks, which are of no avail.

3. Cadres should not be asked to attend too many meetings. The cadres need not attend every meeting so as to avoid spending time at conference tables and traveling.

4. When staying in rural areas, the cadres should not treat grass-roots cadres as their guides, but must themselves select villages and households to carry out their work. They should not simply follow grass-roots cadres in everything. If so, they will heed only one side and be at a loss.

5. They must spend a lot of their time in remote and poor villages and in households with difficulties so as to help them get rich and to let them genuinely feel the party's care. They must know the truth that a mouthful of food in difficult times is more useful than several hundred jin of food in good time.

6. It is necessary to prevent the tendency of people craving for greatness and success and of proneness to boasting and exaggeration. Those cadres who seek the advanced everywhere and only like working in villages and households which are advanced in building material and spiritual civilizations are incompetent. They will be detested by the masses.

As soon as Bai Jinian received (Qin Xiaoping's) letter, he suggested that the letter be published in SHAANXI TONGXUN and be reprinted and distributed to the comrades of the work teams at provincial, prefectural, and country levels.

On 18 December Bai Jinian personnaly wrote a reply to (Qin Xiaoping) warmly praising his noble spirit in caring for the party's cause and urging all party members and cadres in the province to learn from Comrade (Qin Xioping) and to always bear the party's cause in mind.

SHAANXI REPORTS ACHIEVEMENTS IN BIRTH CONTROL

HK210125 Xian SHAANXI RIBAO in Chinese 5 Jan 86 p 3

[Report by provincial Statistics Bureau: "Shaanxi Has Scored Great Achievements in Planned Parenthood"]

[Text] The data of a fertility survey prove that since the founding of the PRC, in our province, the marriage rate has been high and the divorce rate has been low, the marriage relations have been stable, the age of women at marriage has risen, the age of women at giving birth to their first child has also risen, the number of children per woman has been reduced year by year, the infant mortality rate has been lowered, knowledge and measures about contraception have been popularized, and the state's policy to encourage a couple to have only one child has had a wide and very successful response.

This survey was carried out by the State Statistical Bureau in our province with the approval of the State Council. According to the survey, 4,084 married women under the age of 50 were selected and investigated using a questionnaire consisting of over 200 questions concerning their marraige, child-birth, pregnancies, and breast-feeding histories, and understanding and application of contraceptive methods. Quite a few of these questions had never been surveyed in our country before.

Marriage relations are steady and the marriage age of women at child-bearing age has to some extent risen. The survey shows that most of the women in our province marry before 35. Only 0.3 percent of women above the age of 35 have not yet married. Marriage relations are stable and the major reason for separation among married couples is death. At present, the rate of divorce and separation is only 0.3 percent. Over the past 30 years, there has been a substantial reduction in the rate of early marriage in our province and a sharp reduction in the proportion of women who get married before 20. Among the women born from 1936-1945, the rate of early marriage is 79.7 percent; among those born from 1951-1955, it dropped to 47.6 percent; and among those born from 1961-1965, it was only 19.3 percent. Among the five age groups from 25-49, the age at marriage varies inversely from 17.9, through 18.3, 19, 20.3, and 22.3. This fully reflects the fact that the state's education to encourage later marriages has already scored achievements in our province.

The number of children per woman has fallen year by year, and the state's policy to encourage only one child per couple has received wide response. Among the married women surveyed, the average number of children is 2.8. Viewed in age groups, the peak period of childbirth for the women from 45-49 years old was the early 1960's and the average number of children for each of them is 4.94. The peak period of childbirth for the women from 40-44 years old was the late 1960's and the average number of children is 4.3, 13 percent lower than that of the preceding group. The data also shows that the women's age at having their first child has also risen and the phenomena of giving birth to children too early has been substantially reduced. Of the women who reached child-bearing age in the 1950's, 43.8 percent gave birth to their first child before reaching 20 years of age and 67.6 percent did so before 22. However, of the women who reached child-bearing age in the 1980's, only 7.6 percent gave birth to their first child before reaching 20 years of age, and only 23.3 percent did so before 22. Over the past 10 years, the average child-bearing age has to some extent fallen and the period between the wedding and giving birth to the first child has also been shortened. The standardized average age for giving birth to the first child in 1984 was 26.

Knowledge about and measures for contraception have been popularized. Judging by the survey data, contraceptive knowledge has been widely popularized among women. On average, a married woman knows 5.2 kinds of contraceptive methods, and 69 percent of married women (with their spouses still alive) have adopted contraceptive methods.

Planned parenthood is a great strategic policy in our country. We should steadfastly implement it. What we should pay attention to is that there is still a certain proportion of early marriages in our provinces, and that the proportion of women giving birth to more than one child is still fairly big though we have reduced [as published] the age of first marriages and the age of giving birth to the first child. Therefore, an urgent task now is to intensify our work of propaganda and education related to planned parenthood, improving our medical and sanitary facilities, and raise the quality of the services related to planned parenthood.

INDIRECT TAIWAN TRADE WITH PRC INCREASES

HK310501 Beijing ZHONGGUO XINWEN SHE in Chinese 1324 GMT 28 Jan 86

[Text] Hong Kong, 28 Jan (ZHONGGUO XINWEN SHE) -- The Hong Kong Government recently released statistics by the Hong Kong Chamber of Commerce revealing that Taiwanese goods sold to the mainland via Hong Kong in the first three quarters of last year shows a 200 percent increase over the same period in the previous year. The statistics also indicate that last year the mainland became the main market for re-exported Taiwanese goods.

The statistics also show that that mainland is not only the biggest supplier of goods transhipped by Hong Kong to other parts of the world, but also the biggest buyer of goods re-exported by Hong Kong. In the first three quarters of last year, the total value of Chinese goods re-exported via Hong Kong amounted to 48.97 billion yuan or more, constituting more than half of Hong Kong's total re-export trade. Transshipments by Hong Kong to the mainland included goods from the United States, Japan, Taiwan, South Korea, and the FRG.

XI ZHONGXUN AT 'TAIWAN COMPATRIOTS' PARTY

OW300149 Beijing XINHUA Domestic Service in Chinese 1538 GMT 29 Jan 86

[By reporter Fan Liqing]

[Excerpt] Beijing, 29 Jan (XINHUA) -- The traditional Chinese New Year is approaching. Many people on both sides of the Taiwan Strait have long looked forward to family reunions with eager expectation at the end of every year. The Taiwan Democratic Self-Government League, the All-China Federation of Taiwan Compatriots, the Central People's Broadcasting Station, and the Central Television Station particularly invited more than 500 Taiwan Compatriots, relatives of people who are now in Taiwan, as well as people from various circles in the capital to a song and dance get-together at the Beijing Hotel this evening. Xi Zhongxun, member of the CPC Central Committee Political Bureau, and Peng Chong, vice chairman of the NPC Standing Committee, joined the Taiwan compatriots in celebrating the festival with jubilation.

On behalf of the Taiwan compatriots on the mainland, in Liyun, president of the All-China federation of Taiwan Compatriots, extended new year greetings to their relatives and fellow townsmen in Taiwan and abroad. In her brief speeech at the party, she said: "We are elated at the tremendous achievements made by the 1 billion people on the mainland of the motherland and at their bright future; likewise, we are also delighted at the contributions made by the 19 million compatriots on Taiwan to the progress and prosperity of the island. I hope from the bottom of my heart that the people on both sides of the Taiwan Strait will advance together in revitalizing China and making the country, including Taiwan, more prosperous and that the Taiwan problem will be solved at an early date according to the concept of 'one country, two systems.'"

JOURNAL INTERVIEWS SHENZHEN'S ZOU ERKANG

HK290623 Hong Kong KUANG CHIAO CHING in Chinese No 160, 16 Jan 86 pp 10-11

[Report "Zou Erkang, Chief Spokesman of the Shenzhen City Government, Answers Questions From KUANG CHIAO CHING Reporter"]

[Text] After completing an interview with Shenzhen Mayor Li Hao, this reporter interviewed Mr Zou Erkang, responsible person and chief press spokesman of Shenzhen City, on some questions in which overseas readers are interested, including: progress of the new currency for the special economic zones [SEZ] ; the use of the management line (the second line) for special zones; tightening up of credits; the prospects for oil wells in the South China Sea; the excessive scale of capital construction in Shenzhen; and so on.

How to Solve the Problem of the Excessive Scale of Capital Construction in Shenzhen?

Shenzhen has drawn a lesson from its excessive scale of capital construction. With regard to this issue, Zou Erkang said: The working conference of the SEZ brought up this question. As far as Shenzhen was concerned, at that time it was trying its best to develop more areas in order to create a better investment evironment. Proceeding from such a point of view, the 30 square kilometers limit for construction, as stipulated in the original plan, was actually expanded to 48 square kilometers. The investment amount of about 6 billion yuan was larger than originally planned. Before the first half of 1985, because the state had not tightened up the money market, we did not discover the seriousness of the problem. The state supported banks to provide loans to us, so we continued to expand our capital construction. Later, when the state tightened up the money market, the banks continuously reduced their loans to us. We lacked funds for continuing capital construction. At that time, we realized the seriousness of the problem. Now, we have paid attention to correcting these defects. We should ensure the completion of those projects that are absolutely necessary, and projects aimed at expanding production. As for those projects which are not absolutely needed, we will put them off for a while.

Why Is Shenzhen so Slow in Using the SEZ Management line?

With regard to the new situation of the management line in the Shenzhen SEZ, Zou Erkang said: The management line project has been basically completed. Why have we not yet officially started using this 80-kilometer management line valued at more than 100 million yuan? There are two factors which should be taken into consideration. 1) After the completion of the line, we assigned frontier guards and customs officers to work in the departments along the line. They need some practice. They have now been undergoing training for 1 year, and are officially qualified to take charge of the management work. 2) Winding up work of certain projects has not yet been completed, including communications lighting, and so on. What is more important is that we have not yet decided when we will implement the measures aimed at tax exemption and reduction. Zou Erkang believes that after using the "second line," the policy for giving preferential treatment to the SEZ will be maintained and normal economic contacts will not be affected. There is no need for us to worry about all this. So-called economic segregation can be avoided.

With regard to the problem of the SEZ currency, Zou Erkang stressed: Gu Mu raised this issue. It is a complicated matter to issue the SEZ currency. It should be carefully considered. Zou believes that it is not a matter of whether the SEZ should issue their currency. Since the SEZ's export-oriented economic policy is different from that of the interior, a relevant financial and currency system is needed. He revealed that this matter has been discussed with the central departments.

The problem of the SEZ currency should be solved whether in the coastal regions or other special regions. Otherwise, the task of the SEZ cannot be accomplished.

We Are Not Afraid of Speculation in the SEZ Currency

When the SEZ issues currency, people might engage in speculation in the currency. Zou Erkang said: Administrative management means should be strengthened in this regard. However, he believes that if some people are engaged in speculation in SEZ currency it will be beneficial to the Shenzhen government. Speculation will increase people's savings deposits in SEZ currency. People may use SEZ currency in exchange for U.S. or Hong Kong dollars according to the amount of the SEZ currency they possess. Renminbi cannot be converted into SEZ currency. Only foreign exchange can be coverted into SEZ currency.

In a word, the problem of currency is complicated and important. The Shenzhen SEZ has been established for over 5 years. It is obvious that this problem should be solved. One of the following measures can be taken in this respect: 1) The status quo is preserved and the circulation of Hong Kong dollars is expanded; 2) use renminbi to replace Hong Kong dollars to stifle the economy; 3) issue a kind of convertible currency to replace the circulation of Hong Kong dollars and renminbi. There is no other solution except the three measures mentioned above.

On a Foreign Exchange Regulating Center

This reporter also asked about the tentative idea of establishing a foreign exchange regulating center and the current situation regarding this.

Zou Erkang said: This is an expedient measure taken in light of the actual conditions in the SEZ. According to foreign exchange administrative law those units which are connected with foreign exchange should settle their accounts with the Bank of China, and convert their foreign exchange into renminbi. However those units which need foreign exchange cannot buy foreign exchange from the Bank of China. Therefore those units which do or do not have foreign exchange have found themselves equally beset with difficulties. Exchanging foreign exchange among individuals is against the foreign exchange administrative law. So a method has been devised to deal with the situation -- the establishment of a foreign exchange regulating center. This center only handles the affairs of state-operated enterprises. It is responsible for solving the problem of surplus and lack of foreign exchange in various enterprises.

At present, this center's business is small. Generally speaking, the number of those who want to buy exceeds those who want to sell.

How Many Hong Kong Dollars Are Circulating in Shenzhen?

This reporter asked: How many Hong Kong dollars are circulating in Shenzhen? Zou Erkang revealed that according to the estimation made in 1984 the amount of Hong Kong dollars circulating in Shenzhen did not exceed HK$300 million. This included Hong Kong dollars possessed by shops, hotels and residents, but did not include those held by production and financial units. These units possess fairly large amounts of Hong Kong dollars.

This reporter asked: Why is the Overseas Chinese city [hua qiao cheng 5478 0294 1004] to be established in Shenzhen rather than in other native Overseas Chinese places (such as Siyi, Fujian and other places)?

Zou Erkang answered: We must consider the geographic superiority of Shenzhen. Although Taishan, Kaiping and Fujian are native Overseas Chinese places, they can only attract Overseas Chinese from those areas. However, Shenzhen can attract Overseas Chinese from the whole world.

In the meantime, it is convenient to travel to and from Shenzhen. The establishment of the Overseas Chinese city has attracted the attention of Overseas Chinese all over the world. This is mainly due to the geographic position of Shenzhen, bordering Hong Kong.

This reporter asked: Will Shenzhen enact a basic law similar to that of Hong Kong?

Zou said: We have enacted regulations concerning special economic zones in Guangdong Province. This is a law concerning the SEZ. Other separate laws and regulations have been promulgated. We have officially reported and submitted a company law to the higher authorities. Zou did not think that Shenzhen would enact a basic law similar to that of Hong Kong. If necessary, a law on the PRC's special economic zones will be enacted, which covers the regulations of the four special economic zones.

A few days before the establishment of the electronics group company, Zou Erkang said: The establishment of the company has demonstrated that Shenzhen has entered a new stage in promoting its contacts with foreign companies, and other provinces and cities at home, and developing its export-oriented industry. In the past, the development of the electronics industry in Shenzhen lacked coordination. The central Electronics Industry Ministry established its own factories. Other provinces also had their own factories. Shenzhen had its own factories. Some factories were run by foreign capital. These factories were not organized, and their products were duplicated and some of the products were outdated. Now, an electronics group company has been set up. The central electronics industry is taking a lead in supporting and developing the electronics industry in light of the needs of the international market. In the future, Shenzhen may also provide electronic devices for Hong Kong, and our prices will be lower than those of Japan and the United States. We will also become a supply base for electronic software for Hong Kong. Through Hong Kong, we will be able to open up the international market. Strengthening our links with Hong Kong's electronics industry is an important part of promoting economic relations between Hong Kong and Shenzhen. In the future, our main purpose will not be to develop assembly-only lines. We will devote our main efforts to producing high-quality components, which will be competitive in the international market. China has an abundant labor force. Our wages and management costs are low. If we cooperate with Hong Kong electronics industry, we will be able to compete with Japan and South Korea.

What Are the Prospects for the Oil Wells in the South China Sea?

This reporter asked: We hear that the prospects for the exploitation of the oil wells in the South China Sea are not so good. Is that true?

Zou Erkang revealed: The problem does not lie in the oil itself. The prospects for the oil and gas wells are very good. However, since the price of oil is dropping in the international market, foreign companies, which have submitted tenders, are slowing down the pace of developing the oil wells.

This reporter asked: The state is now tightening up its credits. How does Shenzhen solve this difficult problem:

Zou Erkang: We completely favor the state action to tighten up credits in order to straighten out the economy. As far as Shenzhen is concerned, although the state is tightening up its credits, it gives us special preferential treatment. For example, restrictions on us have been relaxed in some regards. However, the state has demanded that the scale of our capital construction be restricted to the level of the funds we have raised. In a word, a principle has been set. Certain support will be given to the SEZ, but specific figures have not yet been decided. Our demands will not be satisfied completely. Specific decisions will be made by the state at the meetings concerned.

Structural Reform and the Problem of Management

Lastly, this reporter asked: The recent meeting on the SEZ particularly stressed structural reform and the problem of strengthening management. What is the tentative new plan for Shenzhen in this regard?

Zou Erkang answered: The state hopes that Shenzhen will take a lead in reform. A few years ago, we did some work but, later, we failed to firmly grasp the work. The meeting pointed out our defects. In the future, in accordance with the characteristics of developing a export-oriented and commodity economy set by the state, we will vigorously reform our economic management system and various economic policies. It is necessary to further study the plans for reform.

TICKET SCALPERS REPORTED RAMPANT IN SHANGHAI

HK240909 Hong Kong WEN WEI PO in Chinese 24 Jan 86 p 7

["Special Feature" by "special" correspondent Yao Hsin-pao: "Rampant Scalping Activities in Shanghai"]

[Text] Scalping has worsened in Shanghai in the past 2 years. The number of scalpers is amazingly large and their methods are amazing tricky. Authoritative statistics show that in 1984, individuals were found scalping steamer tickets on 424 occasions, but in 1985 it rose to 3,318 occasions, accounting for two-thirds of the total number of such cases in the whole country. The reason the "ticket scalping" business has attacted so many people is, after all, its profitability. Generally speaking, a scalper sells a steamer ticket for 200-300 or even 400-500 percent more than its original price. For example, a fifth class Shanghai-Wenzhou ticket is sold originally for 4-5 yuan, but it is resold by a scalper for about 20 yuan. Among the large number of scalpers, there are not only individuals, but also gangs with great pull and also bosses who monopolize scalping in certain areas. There was a scalping boss named Fang Delin who, with his wife, rented a cottage in the suburbs of Shanghai and employed people to work for them. At the peak of his business, he employed more than 60 scalpers and shared the profits with them. In 1985 alone, Fang and his wife earned several thousand yuan. After they were arrested, they confessed to public security workers that they planned to earn more than 5,000 yuan in 1986 and to better this by 1,200 yuan and thus achieve even greater victory.

As for scalping gangs, they are mostly people who come from the same area. The Jiangsu and Zhejiang gangs are most influential among the gangs doing a brisk business at the passanger transport terminal of Shanghai port. They control 88 percent of the scalpers there, most of whom are laborers working on public projects. The Jiangsu, Zejiang, Anshan, and Shanghai gangs are big gangs there. Scalpers have already moved their business from passenger docks to many other places, including ordinary hotels, bus stops, public toilets, and peasant houses in the suburbs. As scalping becomes increasingly rampant, there are so many forged tickets and expired tickets with changed dates that it is difficult to tell a genuine ticket from a forged one. The objective cause for the rampant scalping is the shortage of tickets for all the 22 shipping lines at Shanghai port. However, scalpers can control the sources of tickets by employing large numbers of idle laborers to line up overnight to buy large numbers of tickets and by purchasing the surplus tickets booked by units. As a result, those who travel on business and for whom "time is money," have to accept their bad luck by buying from scalpers at high prices. The relevant departments have paid a lot of attention to serious scalping activities. In the 2 months since last November, over 600 scalpers have been arrested. Heavy economic punishment has been imposed on them. Recently, there has been an obvious reduction in scalping activities.

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U.S. VETOES UN DRAFT RESOLUTION AGAINST ISRAEL

OW310732 Beijing XINHUA in English 0719 GMT 31 Jan 86

[Text] United Nations, January 30 (XINHUA) -- The United States vetoed a draft resolution at a U.N. Security Council meeting this afternoon which strongly deplored provocative Israeli acts against the sanctity of the sanctuary of the Haram al-Sharif in Jerusalem. The draft, sponsored by Congo, Ghana, Madagascar, Trinidad and Tobago, and United Arab Emirates, also strongly deplored the continued refusal of Israel to comply with the relevant resolutions of the Security Council.

The draft was submitted after some members of the internal affairs committee reportedly attempted to intrude into Jerusalem Mosque earlier this month. The United States cast the only veto. Thailand abstained. The other thirteen members, including China, France and the United Kingdom, voted for the resolution.

This afternoon's meeting was the last of seven meetings held by the Council at the request of Arab countries to consider the recent Israeli acts of desecration against Islamic holy shrines in Jerusalem. The Council first met on this item on January 21. It was stated in the draft that such acts constitute a serious obstruction to achieving a comprehensive, just and lasting peace in the Middle East.

After the vote, Ambassador Muhammad ibn Husayn al-Shaili, permanent representative of United Arab Emirates to the United Nations, condemned the abuse of veto power by the United States. By using this veto, he pointed out, the U.S. is sending yet another signal to Israel that it can do whatever it wishes in the region in total disregard of international law.

ANALYSIS OF U.S., USSR IN JORDAN-PLO TALKS

OW010856 Beijing XINHUA in English 0836 GMT 1 Feb 86

["News Analysis: U.S., USSR Scramble Behind Jordan-PLO Talks" (by Rui Yingjie) -- XINHUA headline]

[Text] Amman, January 31 (XINHUA) -- Amman has become a small playground for a match between the two superpowers, the U.S. and the Soviet Union, both trying to exert their influences on recent summit talks here between King Husayn of Jordan and PLO Chairman Yasir 'Arafat.

On January 26, the day the talks began, the Soviet ambassador to Jordan met with 'Arafat. At the ambassador's request, they met again three days later after 'Arafat ended his fourth round of talks with the king. A letter from the Soviet leadership was reportedly delivered to 'Arafat during the meeting. In the five days from January 25 to 29, the Soviet ambassador, again at his request, met separately with the Jordanian speaker of the Senate, the foreign minister and speaker of the Chamber of Deputies.

Before the crucial Amman talks, PLO leaders met in Baghdad where they were briefed by Faruq Qaddumi, head of the PLO Political Deaprtment who had just concluded a visit to Moscow in early January. The Soviet leadership seems suddenly to have become very enthusiastic in its relations with the PLO recently. According to press reports, it has promised to help mediate relations between the rival groups of the PLO on the condition that the PLO will not take part in any Mideast peace process sponsored by the U.S., or in which the Soviet Union is barred from playing a vital role. It is now clear that the Soviet Union is competing with the U.S. to seize the sponsorship of the Mideast peace process.

When the talks started U.S. Assistant State Secretary Roscoe Suddarth came to Amman and met with King Husayn to discuss how to "revive the Mideast peace process." Informed sources said that he would remain here to follow the developments of the talks "right on the spot". The U.S. of course, will not retreat from the Middle East. U.S. Assistant State Secretary Richard Murphy was sent to Europe at the beginning of the year where he had talks with King Husayn and Israeli Prime Minister Shim'on Peres.

So a new round of one upmanship between the two superpowers has started, and it is a face-to-face confrontation. It was not in a congenial atmosphere that the Jordan-PLO talks were not held in a congenial atmosphere and the tricks played by the two superpowers behind the scenes have exacerbated the tension.

ROUNDUP VIEWS PROSPECTS AT VIENNA TROOP TALKS

OW011650 Beijing XINHUA in English 1034 GMT 1 Feb 86

["Round-up: Are Prospects for Vienna Troop Reduction Talks Better?" (by Li Chunliang) -- XINHUA headline]

[Text] Vienna, January 31 (XINHUA) -- The 38th round of the Mutual and Balanced Forces Reduction negotiations in central Europe resumed after a winter recess with both sides optimistic about progress after 12 years of deadlock in negotiations.

On the eve of negotiations which resumed yesterday, optimism emerged as a result of the U.S. -Soviet summit meeting in Geneva last November at which U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev promised to "accelerate the work" on arms reduction, and the recent Soviet proposal for complete elimination of nuclear weapons by the end of the century. All this has aroused a new hope for all the peace-loving peoples in the world for disarmament, especially for the people in central Europe where the two big military blocs -- the North Atlantic Treaty Organizaiton (NATO) and the Warsaw Pact -- confront each other.

Though negotiators of the both sides were optimistic at yesterday's session, saying that tangible progress could be made for signing an agreement on reduction of conventional forces in central Europe, they were still far apart on the crucial question of acceptable verification measures. At yesterday's session, NATO presented a 28-page document detailing its latest initiative for an agreement on U.S. and Soviet troop reductions, adopting the same model put forward by the Warsaw Pact last February. Negotiators from both alliances noted it was the first time the two sides at the 19-nation talks were adopting the same basic approach to an agreement.

Commenting on the document, Warsaw Pact spokesman Nikolai Neiland said the head of the Soviet delegation indicated the Soviet proposals of February 14 last year for initial Soviet-U.S. troop cutbacks and for a subsequent "no increase commitment" had been generally well received by the West. He quoted Soviet Ambassador Valerian Mikhaylov as telling delegates, "this is the first time we have seen the outline of a framework" for further reduction talks.

Speaking on behalf of the NATO countries, the head of the Dutch delegation, Ambassador Hein Van de Mortel, said that disarmament negotiations in central Europe have reached a turning point. However, both sides cautioned that a lot of bargaining was still necessary before an initial agreement can be reached on token Soviet and U.S. troop withdrawals and on a mutual freeze on ground force levels.

A Soviet negotiator warned at yesterday's session that people should not pin too much hope on this round of negotiations. He stressed that the Western proposal has apparently gone too far with so many monitoring and verification measures. Therefore, the Warsaw Pact countries cannot accept the proposal.

Negotiators from the West said that in his recent proposal on disarmament, Gorbachev expressed the Soviet readiness to accept "reasonable verification" measures. They believed that Gorbachev's statement augurs well for an agreement. However, Dutch Ambassador Mortel said yesterday that whether Gorbachev's new proposal offers a solution to the pending problems between the East and the West on the reduction of troops in central Europe will depends on the East.

It appears that things will not go as easily as some people predict. But one thing is certain that the problems left over from the past 12 years cannot be solved in a few months. Observers here believed that what progress can be made in this round of negotiations still remains to be seen.

NEW HONG KONG VENTURE INVESTMENT FUND ESTABLISHED

OW311738 Beijing XINHUA in English 1636 GMT 31 Jan 86

[Text] Hong Kong, January 31 (XINHUA) -- A private venture investment fund dedicated to the transfer of high technology to Hong Kong and the Chinese mainland has been established here. The fund, called the Hong Kong Venture Investment Trust (HKVIT), derives its sources from companies and individuals in the United States, Hong Kong, Europe and other areas.

Speaking at a business luncheon here today, Christopher Leong, managing director of the Hong Kong Techno-Ventures (the local manager of the fund), said that the fund plans to invest 22 million U.S. dollars within the next three years and, in tandem, perhaps another 50 million from joint venture partners, co-investors and entrepreneurs, and establish over 20 manufacturing entities in industries new to this region. "The bulk of the investments will be made in Hong Kong and the Chinese mainland in the establishment of manufacturing facilities, research and development capabilities and marketing organizations," he said. "Some investments will be made in technologically advanced countries to facilitate target companies to transfer part of their operations to this region," he added.

Companies which the HKVIT seeks to attract to Hong Kong and the Chinese mainland include manufacturers of electronic and electromechanically based products, assemblies and systems for use in office automation, telecommunications, factory automation, and medical and biotechnology applications.

In partnership with the Hong Kong Techno-Ventures as sponsors and managers of the fund is the Advent International Corporation of the United States. It is one of the largest venture capital networks in the world, with activities spanning 12 countries and funds of over one billion U.S. dollars under management. According to Advent Vice-President Thomas R. Armstrong, Advent's partnership with the Hong Kong Techno-Ventures is, in the long term, aimed at helping Hong Kong develop and expand its position as an attractive, profit-oriented high technology manufacturing and product development center.

PENTAGON PANEL RECOMMENDS MIDGEMAN MISSILE

OW021930 Beijing XINHUA in English 1859 GMT 2 Feb 86

[Text] Washington, February 2 (XINHUA) -- A special Pentagon advisory panel has concluded that development of the Midgetman missile would make American nuclear forces more capable of surviving a Soviet attack, THE NEW YORK TIMES reported today. The panel, made up of scientists and strategic weapons experts, plans to report to the Pentagon that the United States should start full-scale development of the Midgetman, a small mobile intercontinental missile that has been under study since 1983.

The small, single-warhead missile would be deployed on armored launching trucks on military bases in the Western states. The vehicles could be dispersed to scattered sites inside the sprawling bases in an emergency. The United States has generally supported developing the Midgetman, with expenditures for it included in the fiscal 1987 budget. That budget proposal will be sent to Congress next Wednesday. However, critics in Congress and at the Pentagon said the Midgetman would be too costly or would not be an effective deterrent to a Soviet attack. It is estimated that by buying 50 more of the huge MX missiles, with 10 warheads each, the Pentagon could save 20 billion to 30 billion dollars, as against buying 500 single-warhead Midgetman missiles with the same power. The United States has proposed at the arms negotiations in Geneva that the United States and the Soviet Union agree to a ban on deployment of all mobile intercontinental ballistic missiles.

SHUTTLE TRAGEDY DELAYS U.S., FOREIGN PROJECTS

OW311952 Beijing XINHUA in English 1933 GMT 31 Jan 86

[Text] Beijing, January 31 (XINHUA) -- The explosion of the space shuttle Challenger sparks debate on future space programs both inside and outside the United States. According to reports reaching here today, a NASA official said that the loss of the space shuttle Challenger on January 28 will affect the NASA planned 15 flights this year. An expert of the Federation of American Scientists said that it could delay U.S. manned space flights for at least six months to one year.

Three major space missions with critical timing will likely be seriously postponed. Two are the launches of the Galileo Jupiter exploring craft and the U.S.-European Ulysses solar probe, which will use Jupiter's gravity to put it on course in May. The other is to send the 1.1-billion-U.S.-dollar space telescope -- the most important equipment for scientific research so far -- into space by a shuttle. In addition, ultraviolet (UV) instruments in the Astro UV Observatory will be carried by the shuttle Columbia into orbit on March 6 as the NASA plans to intercept Halley's Commet for European and Soviet scientists.

U.S. Defense Department officials said on January 29 that the loss of the space shuttle Challenger will seriously impact the future Pentagon launches of secret military payloads and experimental packages into the Earth's orbit. Defense Secretary Caspar Weinberger said the disaster would delay some of the "star wars" experiments. Space shuttles have carried out several top-secret military missions including conducting laser reflection experiment and releasing various experimental satellites for defense systems. Pentagon officials said that during the shuttle flight freeze period, the department will arrange for launching military satellites by using other vessels such as the old Titan and Minuteman.

The shuttle disaster touched off a nationwide discussion and some criticisms. But a recent opinion poll based on interviews with more than 500 people still shows a strong support of Americans for the space shuttle program. According to the poll released on January 29, 79 percent supported the program, with 16 percent opposing and 5 percent having no opinion. Seventy-two percent of people interviewed preferred keeping civilians included on shuttle crews, while 22 percent said "no" and 5 percent had no opinion.

People are also talking about the disaster's impact on other countries' space programs. French Government leaders and the French press shared the view that space exploration entails huge losses, but space researches should not be affected as a result. French Research and Technology Minister Hubert Curien said his country should draw conclusions from the incident, but will continue its advance. The "Hermes" plan should not be delayed as a result, he noted.

British Prime Minister Margaret Thatcher said in a statement on Wednesday that sacrifices caused by the quest of knowledge will continue and that new knowledge sometimes demands sacrifices of the bravest and the best. It was reported that Britain's first astronaut, Nigel Mood, will fly to Houston on schedule for training in the U.S. shuttle program.

The Federal German press predicted that the shuttle explosion will delay the launch of a Germany-made space lab originally planned for next month. Federal German Research Minister Heinz Riesenhuber indicated that his country will postpone plans for recruiting six new astronauts. However, he added, Federal Germany will continue with the recruitment, and Europe will continue to participate in U.S. plans for launching space stations in the next decade.

The Japan Communications Satellite Company attached great importance to the explosion of Challenger, and called an emergency meeting on Wednesday for a detailed analysis of the incident, as the company is planning to launch a communication satellite aboard a U.S. space shuttle. Indonesia's Post, Tourism and Telecommuications Minister Ahmad Tahir said on Wednesday that the explosion of the U.S. space shuttle Challenger will not change his country's plans to send an Indonesian astronaut into space on another American shuttle craft.

MILITARY OPERATIONS OFF LIBYA CONCLUDED

OW311410 Beijing XINHUA in English 1318 GMT 31 Jan 86

[Text] Cairo, January 31 (XINHUA) -- The U.S. aircraft carrier flight operations off the Libyan coast ended last night but the warships of the U.S. Sixth Fleet will remain in the central Mediterranean region, the MIDDLE EAST NEWS AGENCY quoted American sources as saying today.

During the week-long military exercises, U.S. aircraft from the carriers Coral Sea and Saratoga flew off the Libyan coast in the area within the commercial airline traffic under the control of the flight center of the Tripoli airport, according to earlier press reports. Libya and other Arab countries of the Arab League have condemned it as a military provocation against Libya.

Last Saturday, Libyan leader Mu'ammar al-Qadhdhafi boarded a Libyan Navy patrol boat and sailed out into the Gulf of Sidra to show his defiance of the U.S. military threat. There have also been public gatherings in Tripoli and other parts of Libya denouncing the U.S. military intimidation.

MOSCOW'S 'DECEPTIVE PRETENSE' ON AFGHANISTAN

HK010834 Beijing RENMIN RIBAO in Chinese 31 Jan 86 p 6

[Commentary by Li Wenzheng: "Moscow's 'Relaxation' and Afghan Realities"]

[Text] Last November, after the U.S.-Soviet meeting in Geneva, there was a continual stream of reports that the Soviet Union was apparently prepared to consider some "relaxation" regarding a political settlement of the Afghan problem. At the time, Moscow indeed assumed a variety of postures. However, it is now more than 2 months since that meeting and there has been no sign of the hoped for "relaxation." On the contrary, the essence of this posture has been exposed with ever greater clarity.

Before the U.S.-Soviet summit, the Soviet Union expressed willingness to discuss the question of withdrawing troops from Afghanistan. At the time of the summit, Soviet leaders again leaked the information that they were willing to withdraw troops from Afghanistan and that a political solution could be effected under UN auspices. They also said that an international guarantee and troop withdrawal could proceed simultaneously. This was unprecedented enthusiasm on Moscow's part in talking about a political settlement of the Afghan problem. However, this "relaxed" posture has still not been translated into action, and the matter remains a blank sheet of paper. As Ishaq Gaylani, leader of the Afghan National Islamic Front, pointed out on 28 January, Moscow is just talking about withdrawing troops from Afghanistan without doing anything about it.

In fact, what has accompanied this "relaxation" is actually intensified military activity on the Afghan battlefield. At the beginning of winter, the Soviet Army adopted tactics such as assaults on key points and close-quarter shock attacks in stepping up its attacks on the Afghan guerrillas' effective strength. At the beginning of January, the Soviet Army dispatched a large number of infantry, covered by aircraft, to intrude onto the Salang Highway north of Kabul. The Soviet Army also launched new attacks around Kabul, in the Qandahar region, and the Panjsher Valley. At the same time, the Soviet Army is preparing for its spring offensive. According to foreign reports, there is evidence of a "notable increase" in the number of weapons shipped into Afghanistan in recent weeks. These include grenade launchers, cannon, and other heavy weapons, together with advanced helicopters and ground attack aircraft. Can this series of moves, which intensify the war, be said to mean the Soviet Union is preparing to withdraw its troops from Afghanistan? Where is the "relaxation?" The facts prove that while talking about a desire for a political solution, Moscow actually wants to settle the problem by force.

A few days ago, the Karmal regime's foreign minister announced that even if a method of reaching a peaceful settlement were found, several thousand Soviet military advisers would remain in Afghanistan. This shows beyond any doubt the cards of "relaxation": The Soviet Union wants to hang on in Afghanistan for a long time.

It should be noted that recently there have been more changes in the pitch of the Soviet tune on the Afghan problem. Moscow has again loudly played the old refrain of "guarantee first, withdrawal afterwards." The Soviet leaders reiterated at a session of the Supreme Soviet held not long after the U.S.-Soviet summit that the Soviet Union will not unconditionally withdraw its troops from Afghanistan. After that, the Soviet foreign minister repeated when meeting the Karmal regime's foreign minister that "a political settlement of the Afghan problem can only be brought about with the complete cessation of external armed and other intervention and a guarantee that this will not be repeated."

Soviet Deputy Foreign Minister Kapitsa's words were even more barefaced: He declared that the Soviet Union would not make the slighest concession on the Afghan issue. It is very clear that the Soviet Army has committed aggression against Afghanistan, and the Afghan people, unwilling to be enslaved, rose in resistance. The Soviet Union has said that it will only consider a political solution when the Afghan people cease resistance. This not only turns the issue upside down, it is actually aimed at quenching the angry flames of the Afghan people's resistance so that the Soviet Union may go on controlling Afghanistan for a long time. How can this be right? If people link all these things together, it is not hard to see that there is absolutely no relaxation in the Soviet stand.

The recent sixth round of indirect talks on the Afghan issue also provided people with facts regarding this aspect. During the talks, the Karmal regime only unofficially came up with a document on a so-called "troop withdrawal scheme," and insisted on holding direct talks with Pakistan before discussing a specific troop withdrawal timetable. The calculation of the Soviet Union and the Karmal regime is that as long as the latter is formally recognized, the countries concerned will have no choice but to undertake their so-called duty of nonintervention. Then, under the precondition of first guaranteeing no intervention, the question of troop withdrawal can be discussed by and by. The matter remains essentially the same despite apparent changes: There is to be no troop withdrawal.

The Soviet leaders had reasons for leaking information about "relaxation" during the U.S.-Soviet summit. The star wars plan and the Afghan problem caught people's attention amid the fierce arguments at the Geneva meeting. Public opinion held that while confronting the United States head-on over the star wars plan, the Soviet Union showed a little optimism over the Afghan problem, one of its aims being to put pressure on the United States and demand that the United States relax somewhat over star wars. It is evident from this that Moscow's "relaxation" was a kind of posture right from the start. However, people have been able to see from developments that this posture is nothing but a deceptive pretense.

PRAVDA DENIES U.S. CHARGES ON PDRY CONFLICT

OW311748 Beijing XINHUA in English 1518 GMT 31 Jan 86

[Text] Moscow, January 31 (XINHUA) -- The official Soviet newspaper PRAVDA today denounced the U.S. charge that Moscow was directly involved in the civil strife in Democratic Yemen as a "canard," saying the Soviet Union wanted reconciliation among the warring factions. PRAVDA was reacting to a statement by U.S. State Department spokesman Bernard Kalb Monday accusing Moscow of siding with the rebels in Democratic Yemen's civil strife that erupted on January 13 in this Red Sea country.

PRAVDA criticized what it called "the fashion" among American officials to look for "Moscow's hand" in conflicts that break out in the Third World. The paper attributed this U.S. attitude to its "need of the propaganda cover for the doctrine of 'new globalism' proclaimed by Washington." "According to that doctrine," the paper continued, "the United States has a right and must interfere in internal affairs of all countries where it has 'vital interests.'" PRAVDA, the leading Soviet newspaper, also accused some of the Western media of trying to 'confuse the issue, to distort the Soviet Union's stand to allege that it backs one of the sides." In fact, it said, Moscow has taken a "clear-cut stand" and "has called for an end to the armed clashes, for reconciliation of the sides, and resolutely declared against any outside interference in the South Yemeni affairs."

BEIJING COMMENTARY REJECTS SRV DIALOGUE PROPOSAL

OW011300 Beijing in Vietnamese to Vietnam 1400 GMT 31 Jan 86

[Station commentator Ya Ming's commentary: "The True Nature of the Vietnamese Authorities' Proposal To Hold Dialogues"]

[Text] The Vietnamese authorities recently renewed their proposal to hold dialogues to create the impression that they stand ready to peacefully settle the Cambodian issue. The 24 January communique of the so-called conference of the three Indochinese countries' foreign ministers is a typical example.

The communique proposes the holding of the following three dialogues: First, a dialogue between the Phnom Penh puppet administration and the opposing factions, excluding the Pol Pot group, to achieve national conciliation; second, a dialogue between the Indochinese and ASEAN countries to discuss the problem of peace in Southeast Asia; and third, a dialogue between Vietnam and China to improve their bilateral relations. The Hanoi press has noisily claimed that the proposal for these dialogues reflects Vietnam's goodwill. From a formal analysis of these dialogues, however, everyone can see that this is quite untrue.

First of all, let us consider the first dialogue. The Phnom Penh puppet administration, buttressed by Vietnamese bayonets, is entirely illegal. Without Vietnam's support, it could not survive for even a single day. As for the Coalition Government of Democratic Kampuchea [CGDK], it is a legal administration recognized by the United Nations and by almost all countries in the world. In defiance of this objective fact, the communique proposes a dialogue between the Heng Samrin administration and the opposing factions, excluding the Pol Pot group, aimed at prompting a universal de facto recognition and legalization of this puppet administration and also at undermining the CGDK's solidarity. Such a proposal reveals only the Vietnamese authorities' cunning and deceitful scheme, not their goodwill at all.

Let us now analyze the dialogue between the Indochinese and ASEAN countries on the problem of peace in Southeast Asia as mentioned in the communique. The Vietnamese authorities have dispatched more than 100,000 troops to invade Cambodia and undermine peace in Southeast Asia. To restore and safeguard this peace, Vietnamese troops must be withdrawn from Cambodia immediately and unconditionally. However, the communique completely ignores this fact. Moreover, it states that if an agreement cannot be reached on the issue of checking the so-called foreign forces' interference in Southeast Asia, the Cambodian issue cannot be settled for good. This argument is quite similar to Vietnam's previous argument that the Cambodian issue cannot be settled unless the Chinese threat is eradicated. The Vietnamese authorities' objective is to deliberately trouble the waters in order to create a pretext for them to continue their invasion of Cambodia.

Let us then analyze the dialogue between China and Vietnam mentioned in the communique. As everyone knows, past Sino-Vietnamese relations were very good for a relatively long period. They have worsened and reached their present stage because of the Vietnamese authorities' resentment against China's support for the Cambodian people's just struggle against Vietnamese aggression and because of their continual hostile activities and provocations in Sino-Vietnamese border areas. The Chinese Government has repeatedly expressed its desire to improve relations between the two countries when Vietnam stops its invasion of Cambodia and its resistance against China. However, the Hanoi rulers have no desire to change their stand at all. In this case, the Vietnamese authorities' dialogue with China is worthless, as everyone can see without any further explanation.

From this analysis, one can see that the proposal for dialogues as mentioned in the communique of the conference of the three Indochinese countries' foreign ministers does not mean at all that Vietnam has changed its stand regarding its invasion of Cambodia, or has presented anything new. Vietnam's immediate withdrawal of troops from Cambodia is the only key to a solution to the Cambodian issue, as well as a touchstone to indicate whether or not the Vietnamese authorities have any desire for peace. If they categorically refuse to withdraw troops, such proposed dialogues will be quite meaningless even if they take place.

MILITARY RESPONDS TO VIETNAMESE INTRUSIONS

OW011654 Beijing XINHUA in English 1640 GMT 1 Feb 86

["Frontier Guards Counterattack Viets" -- XINHUA headline]

[Text] Beijing, February 1 (XINHUA) -- Vietnamese troops have intruded into Chinese territory in Yunnan Province on 33 occasions since January 1 and fired 40,000 rounds of shells, killing and wounding 65 Chinese civilians and soldiers, according to military sources here today.

In the border area of the Guangxi Zhuang Autonomous Region to the east of Yunnan, Vietnamese troops have bombarded 19 villages on many occasions this year, destroying scores of houses and wounding a number of villagers, the same sources said. On January 10, Chinese frontier guards and members of the local militia in Guangxi wiped out Vietnamese troops who intruded into Fangcheng and Napo Counties. On January 28, Chinese frontier guards stationed in the Laoshan area of Yunnan Province on the China-Vietnam border counterattacked and wiped out units of Vietnamese troops entrenched in mountainous areas.

SRV MASSING TROOPS ALONG THAI-CAMBODIAN BORDER

OW021102 Beijing XINHUA in English 1030 GMT 2 Feb 86

[Text] Bangkok, February 2 (XINHUA) -- Hanoi has massed an increasing number of troops and weapons along the Kampuchean-Thai border, according to a report to the Supreme Command of the Thai Armed Forces available here today. The report said that the Thai military last week detected the build-up of Vietnamese military strength in the areas that straddle the frontiers of Thailand, Laos and Kampuchea.

It was predicted that the Vietnamese might attack Kampuchean resistance forces along the border in areas opposite Chong Bok of Nam Yune District of Ubon Ratchathani Province in Thailand. A Thai senior security official earlier warned that the Vietnamese might mount a large-scale border offensive early this month. The official attributed the delay of the current dry-season offensive by the Vietnamese to intensified military activities of the resistance in the interior.

The report also disclosed that the Vietnamese troops and transported a large quantity of barbed wire and steel bars from the central area of Kampuchea to the border opposite Ta Phraya District of Prachin Buri Province in eastern Thailand. The construction materials are likely to be used for building barricades along the border to prevent resistance forces from transporting supplies to the interior, the report said.

The supreme command also reported that the Vietnamese were repairing roads winding through Malai and Mark Huen mountains where the National Army of Democratic Kampuchea is still active.

LIAOWANG ON PHILIPPINE PRESIDENTIAL ELECTION

HK310851 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 4, 27 Jan 86 pp 27-28

[Special dispatch from Manila by contributing reporter Wang Yongsun: "Presidential Election Campaign in the Philippines Is Intensifying"]

[Text] A presidential election is to be held on 7 February in the Philippines, and an intense and heated presidential election campaign is now unfolding throughout the country. This election will be the most important one held in the Philippines since World War II, and its outcome will have great significance for the development of the situation in the country.

The current Philippine Constitution stipulates a 6-year term for the presidency. President Marcos's current term of office is to expire in June next year and he had declared again and again that the date of the presidential election would not be moved up. However, he suddenly changed his mind and announced in early November last year an early presidential election. In Marcos' words, he wants to gain a renewed mandate from the people through the election with the aim of dispelling doubts at home and abroad about his policies.

The Political and Economic Background of Advancing the Date of the Presidential Election

Since the assassination of former opposition leader Benigno Aquino in August 1983, the Philippines has faced a serious political and economic crisis. Antigovernment political movements have surged forward, opposition forces have risen drastically, and armed anti-government forces are also increasing. The Marcos administration is faced with a serious challenge.

The deterioration of the economy has aggravated the turbulent political situation. In the past 2 years, the Philippines' GNP decreased continuously -- the country suffered a 5.5 percent drop in GNP in 1984 and a 4 percent drop in 1985. Official statistics show that the country's foreign debt amounted to $26 billion and the interest payment totaled $2.2 billion last year, almost equal to half of the country's export revenues. In 1985, apart from a slight growth in agriculture, the performance of the other economic sectors was disappointing, with industry suffering a 10 percent decrease in its output. A large number of plants were closed and unemployment soared. It is reported that current unemployment has reached 15 percent, or around 3 million people. The standard of living is getting poorer and poorer, grievances are spreading, demonstrations and workers' and students' strikes are frequent events. Due to the turbulent political situation, foreign investors have hesitated to start any new projects, and the government's economic restoration program is far from being fulfilled. Under such circumstances, the opposition parties have long been urging Marcos to step down and demanding an early presidential election.

The United States has considerable economic interests in the Philippines and maintains its two largest overseas military bases there: Clark Air Base and the Subic Bay Naval Base. The turbulent political situation in the Philippines will have a direct impact on U.S. global strategic interests. The United States hopes the presidential election will help to stabilize the Philippine situation so that it can retain these important footholds in the Far East. Therefore, the United States has constantly exercised influence on the development of the situation in the Philippines. In October last year, President Reagan sent his special envoy, Paul Laxalt, to the Philippines to hand a signed letter to Marcos, emphasizing that a fair and free election was "an important approach to the relaxation of the tense situation."

Sources concerned pointed out: This letter had an important influence on Marcos' agreement to advance the presidential election. In fact, an early election is not absolutely unfavorable to the ruling party because the political and economic situation may possibly be further aggravated as time goes by.

Unification of the Opposition Factions

The opposition factions in the Philippines, playing a more and more active role after the assassination of Aquino in 1983, have developed into a force not to be ignored in the country's political arena. In the past 2 years, the multitude of parties and organizations have dissolved and regrouped many times, and have now formed into two major factions. The first of these, with the United Nationalist Democratic Organization (Unido) as the core, nominated the organization's Chairman Laurel as its presidential candidate. The second, with the recently founded Laban ng Bayan [People's Struggle] as its core, nominated Mrs Corazon Aquino as its presidential candidate. These two major factions failed to agree on joint nomination of a presidential candidate until just 1 hour before the deadline for the registration of candidates on the night of 11 December last year. Mrs Aquino and Laurel announced they had reached an agreement: Mrs Aquino was to be nominated as the Unido presidential candidate while Laurel was to run as her partner in the election campaign. The two major factions later reached unanimity on a joint minimum program. The unification of the two factions has greatly inspired members of the opposition camp and their supporters.

The present presidential and vice presidential candidates nominated by the opposition are the strongest combination it can provide for the election. This is because Mrs Aquino has a certain degree of appeal among the masses and, furthermore, she is supported by almost all the opposition leaders, while Laurel is a senior politican, backed by a pretty well-organized party with organizations spread all over the country. The unification of these two figures has constituted a serious threat to Marcos and the ruling party.

It is reported that both the highly influential Philippine Catholic Church and the United States played a key role in bringing about the unification of the two major opposition factions. On 8 December last year, Laurel and Mrs Aquino separately announced that their negotiations had broken down and the two factions would separately nominate their own presidential candidates, and negotiations in the following 2 days reaped no results. The two figures did not achieve unification until 11 December, after Philippine Jaime Cardinal Sin and some people representing U.S. interests separately held talks with them.

The Ruling Party Is Making Vigorous Efforts To Turn the Tide

The ruling party, the Kilusang Bagong Lipunan, and the armed forces have always been two major pillars backing the Marcos regime. In the face of the opposition's challenge and the dissident tendencies shown by some people within the party, President Marcos selected former Foreign Minister Arturo Tolentino as his running mate. The latter openly criticized Marcos and his policies on many occasions in the past and is regarded as an opponent within the party. In March last year, he was removed from the post of foreign minister because of differences of opinion between him and Marcos. People believe that Marcos, in selecting Tolentino as his running mate, wanted to mitigate factional conflicts within the ruling party and add some "democratic" decorations by offering a greater choice, so that he can be stronger in the competition with the opposition for votes.

Meanwhile, taking the opportunity of the presidential election campaign, some local leaders belonging to the ruling party are scrambling hard to garner local leading power and funds to run the election campaign.

It is reported that the struggle between these local leaders has led to a crisis, with splits within ruling party organizations in at least 10 provinces; and three governors and some local city and town officials belonging to the ruling party have rebelled against Marcos and crossed over to the opposition's side. The central leadership of the ruling party is taking action to prevent this trend from developing further.

The Army's attitude will play an essential part in the development of the situation as a whole during and after the presidential election. Recently, different factions have emerged within the Army. Marcos has admitted that Armed Forces Chief of Staff Fabian Ver and Deputy Chief of Staff Fidel Ramos are at odds. The development of a reform movement within the Army also indicates that discontent is growing. Not long ago, a group of Filipino military officers undergoing training and on leave in the United States declared they were joining the opposition, an event having great repercussions in the Philippines. Under such circumstances, Marcos reinstated General Ver, who had been connected with the assassination of Aquino, to his former post of Armed Forces chief of staff. As General Ver is a very influential figure in the Army, this decision was regarded as an important act for Marcos in strengthening his control over the Army.

The U.S. Attitude Toward the Philippine Presidential Election

The United States welcomes an early Philippine presidental election but has shown doubts about the possibility of a "fair" election and has been putting pressure on the Philippines. Some high-ranking U.S. officials declared: If the presidential election was found to be unfair, the United States would reduce its aid to the Philippines substantially. Recently, the U.S. Government and Congress have sent a continuous stream of people for so-called observation or, more precisely, supervision of the election in the Philippines.

President Marcos and some ministers recently made repeated statements accusing the United States of intervening in the Philippines' internal affairs by supporting the opposition in the presidential election. Several progovernment Manila newspapers also carried editorials criticizing the role of the United States.

Observers here hold that it is difficult to tell at the moment whether the United States has made up its mind to withhold its support for Marcos and to stand by the side of the opposition. But it is quite clear that the United States, which used to support Marcos, has definitely changed its attitude in the past 2 years.

It Is Hard To Predict the Outcome of the Election

Now that the presidential election is drawing near, the campaign is intensifying daily. As the date for voting approaches, speculation if rife about the outcome of the election. More people hold that although the opposition parties have shown great strength and impetus in the election campaign, it will not be easy for them to compete with the ruling party because of internal contradictions, dispersion of forces, and unsound grass-roots organizations. On the other hand, President Marcos still enjoys many favorable conditions. He has been ruling the country for more than 2 decades, administering both the central and local organs, and, what is more, he controls the Army. He has sufficient funds, manpower, and a complete system of central and grass-roots organizations at his disposal for the election campaign. So he will surely try by every means to ensure the victory of the ruling party in the election.

While the campaign is intensifying, rumors are spreading like wildfire. Recently the government has denied the rumor that the decision on an early presidential election would be annulled. Some people are worried about the possibility of the restoration of martial law or a military coup d'etat. All this reflects people's doubts and misgivings about the changing political situation.

Some people have predicted: The situation in the Philippines will hardly stabilize no matter which side, the candidates of the ruling party or those of the opposition, wins the election. The struggle between different political forces will continue even after the presidential election, and the Army's attitude merits particular attention.

HONG KONG PRELATE NOTES IMPROVED SITUATION

OW011712 Beijing XINHUA in English 1636 GMT 1 Feb 86

[Text] Hong Kong, February 1 (XINHUA) -- Hong Kong Catholic Bishop John B. Wu said here today that China's Guangdong Province has made improvements in implementing the policy of freedom of religion.

Speaking at a press conference here, the bishop said that in the province many churches have been renovated and reopened, priests and nuns have returned to serve their proper churches, church property is gradually being handed back.

Bishop Wu had just returned from an 11-day visit to the province at the head of a 7-member delegation. He said the delegation had seen the social and other developments in the province. They exchanged frank and sincere opinions with local officials on the situation of religious freedom in these places, he added.

This is the first official contact and dialogue between the Catholic Hong Kong Diocese and Guangdong Province, the bishop said. "Both parties believe that this is a good start and should develop and continue," he added. "The Hong Kong Catholic Diocese, because of its geographical position and at this historical time, is in a unique position to be a 'bridge' to promote and foster better communications between our country and the world, and between the church in China and the universal church following Christ's example of unity and communion," he noted.

The bishop and the first Catholic delegation from Hong Kong led by him visited Beijing and Shanghai in March last year.

QIAN QICHEN MEETS GROUP FOR NUCLEAR-FREE PACIFIC

OW311600 Beijing XINHUA in English 1434 GMT 31 Jan 86

[Text] Beijing, January 31 (XINHUA) -- Representatives of a group working for a South Pacific nuclear free zone left here today after consulting with Chinese officials. Trying to rid that part of the world of nuclear weapons, a delegation from the South Pacific Forum -- which has 13 member countries and regions -- has been meeting with the five nuclear powers.

After its arrival in Beijing on January 28, the delegation, led by group Chairman David Sadpeir, met with officials, including Vice Foreign Ministers Qian Qichen and Zhu Qizhen. According to one Chinese official, the group explained the South Pacific nuclear-free zone treaty and the three draft protocols to the treaty. "The atmosphere was friendly," the official said. The delegation to China included representatives from Australia, New Zealand, Fiji, Papua New Guinea, the Cook Islands and the Solomon Islands.

PRESS COMMUNIQUE ON SUDANESE DELEGATION'S VISIT

HK310702 Beijing RENMIN RIBAO in Chinese 24 Jan 86 p 4

[XINHUA report: "Text of the Press Communique on a Senior Sudanese Delegation's Visit to China"]

[Text] Beijing, 23 Jan (XINHUA) -- The Information Department of the Foreign Ministry today issued a press communique on a senior Sudanese delegation's visit to China. The following is the full text of the communique:

At the invitation of the Chinese Government, a senior Sudanese delegation led by Lieutenant General Muhammad Tawfiq Khalil, member of the Transitional Military Council and chief of staff of the Sudanese Armed Forces, paid an official visit to China from 11-19 January. Members of the delegation included Major General Hamadah 'Abd al-'Azim Hamadah, member of the Transitional Military Council; the minister of trade and supply; the minister of construction and housing; the vice foreign minister; and other senior officials. During the visit, Lieutenant General Tawfiq met with Vice President Ulanhu, Premier Zhao Ziyang, and Chief of General Staff Yang Dezhi, and held talks with Vice Premier Tian Jiyun. Responsible persons of the relevant departments of both sides also held separate talks. All these talks were conducted in a sincere and friendly atmosphere. Lieutenant General Tawfiq and his party visited Beijing, Xiamen, and Guangzhou. During its stay in China, the senior Sudanese delegation was warmly welcomed and graciously received by the Chinese Government and people. This has fully shown the profound and traditional friendship which exists between the two countries.

The two sides state that China and the Sudan hold identical or similar views on a number of major international issues. The Sudanese side has briefed the Chinese side on its internal situation and its internal and foreign policies.

The Chinese side highly appraises the independent, nonaligned, and good-neighborly policy of the Sudanese Government, and the unremitting efforts it has made to uphold the unity of the people of various Arab countries, to support the just struggles of the Palestinian people, southern African people, and the Namibian people, to combat floods and provide disaster relief, and tc defend national unity.

The Sudanese side enthusiastically praises the achievements of the Chinese people in their socialist modernization program. The sides sides feel satisfied with the continuous development of friendly and cooperative relations between the two countries based on the Five Principles of Peaceful Coexistence. They unanimously hold that the continuous consolidation and development of such relations tally not only with the interests of the peoples of the two countries, but also with the unity and cooperation of the nations and people of the Third World. The two sides are determined to exert concerted efforts to promote their cooperative relations in the political, economic, and cultural fields and others to a new stage. In Beijing, the two sides signed a 1986 trade protocol, an agreement on the establishment of a Sino-Sudanese mixed committee on economic and trade cooperation, a protocol on economic and technical cooperation, and a Sino-Sudanese summary of the talks on cultural and educational cooperation.

During this stay in China, Lieutenant General Tawfiq conveyed to President Li Xiannian a letter from General Al-Dhahab, chairman of the Transitional Military Council. Lieutenant General Tawfiq has invited Vice Premier Tian Jiyun to visit the Sudan, and the latter has happily accepted the invitation. The date of the visit will be decided through diplomatic channels. Lieutenant Tawfiq expressed his heartfelt gratitude for the enthusiastic welcome and cordial hospitality shown to him and other members of the delegation during their stay in China.

TELECOMMUNICATIONS SATELLITE LAUNCH REPORTED

OW022200 Beijing Domestic Service in Mandarin 1200 GMT 2 Feb 86

[Report by station editor (Liu Changle) on 1 February launch of a telecommunications and broadcasting satellite -- recorded]

[Text] Listeners: Our country launched a telecommunications and broadcasting satellite for practical use at 2036 [1236 GMT] on 1 February. Prior to the satellite launch, this radio station sent four reporters to the launch center in Xichang, Sichuan; the Astronautical Measuring and Control Center in Xian, Shanxi; and a measuring fleet in the Pacific Ocean. The following is an on-the-scene report by reporters (Liu Dedian) and (Yang Tao) and correspondent (Su Kuoshan) from the launch center in Xichang. The report is entitled: "The Moment a New Star Is Rising."

[Begin relay by unidentified reporter] Listeners, we are reporting from the Astronautical Launch Center in Xichang, Sichuan. Today is 1 February; it is now 1930. We are standing on a hillside west of the launch site, about 500 meters from the launch derrick. Though it is completely dark now, the spotlights make the launch site as bright as day. Five of the 11 stories of the platform have been opened, but at this time we cannot see the complete carrier rocket. Several days ago we mounted the platform of the launch derrick and had a close view of the rocket and satellite, already connected and erected there. The rocket is taller than a 10-story building. We tried to estimate its circumference and found that the maximum part is about six or seven armspans around. The cylindrical satellite, covered by red protective tiles [fang hu pian] is attached to the top of the rocket.

Listeners, it is now 2000 sharp. All parts of the platform of the launch derrick are now open. We can see the splendid shape of the milky-white carrier topped by the red satellite, all under the spotlights and ready to lift off. We see that the satellite atop the rocket has been capped with a red protective fairing, and the characters for Long March No 3 [chang zheng San hao] are clearly discernible with binoculars. This is one of the types of the carrier rockets that our country is offering on the international market. [Sound of siren]

Listeners, the final alarm has sounded. Those working on the launch site are now beginning to depart. They are going to the shelter of a mountain cave some 100 meters away. Listeners, all cables and structures used to support the rocket and the satellite have now detached automatically. The rocket will lift off in less than 4 minutes. From now on, the entire launch system will enter a computerized automatic control stage. [noise]

Listeners, it is awfully bright. The noise is so loud that I cannot even hear my own voice. A wave beats upon my face. The rocket has lifted. With a reddish-orange flame at the tail, the rocket flies skyward like a fiery dragon. It goes faster and faster, higher and higher. Now the rocket has made a turn and is flying southeast. Listeners, with the aid of a telescope, we see that the small fireball in the sky hundreds of kilometers away is dividing into two. This shows that the first state of the carrier rocket is separating, and the second stage has been ignited and is functioning. The rocket carrying the satellite is continuing to fly eastward. [end relay]

Listeners, as the satellite was being launched, we watched it on a large television screen at the command post in Beijing. From the screen we also clearly saw Zhao Ziyang and other leading comrades inspecting the operation at the launch center. The following is a recorded conversation with our reporter covering the event in Xichang:

[Begin relay] [Station editor] Hello, are you Comrade (Liu Dedian)?

[(Liu Dedian)] Yes, I am. How are you?

[Station editor] Today, at the command post of the National Defense Science, Technology, and Industry Commission, we saw some pictures of Premier Zhao Ziyang and Comrades Hu Qili and Tian Jiyun watching the actual launch of the satellite. Would you tell us something about them from the scene?

[(Liu Dedian)] Certainly. On the evening of 1 February, leading comrades at the central level, namely Zhao Ziyang, Hu Qili, and Tian Jiyun, made a special trip from Beijing to the Astronautical Launch Center in Xichang to watch the splendid scene of China's Chang Zheng No 3 carrier rocket sending the telecommunications satellite into orbit. After the satellite was successfully launched, they stood up and shook hands cordially with the commanders, scientists, technicians, and other comrades in the hall of the command and control center at the launch site to extend their greetings. Zhao Ziyang made an important speech in the wake of the successful satellite launch.

[Station editor] Do you have a recording of Premier Zhao's speech?

[(Liu Dedian)] Yes, we have.

[Station editor] Would you please transmit the speech to us?

[(Liu Dedian)] Certainly. Let me transmit it now.

[Begin Zhao Ziyang recording] On behalf of the party Central Committee and the State Council, I extend warm congratulations to all comrades of staff and workers, technical experts, as well as commanders and fighters who took part in the research, manufacture, and launching of this satellite. [applause] In the course of your research, manufacture, and launching of the satellite, you have displayed great wisdom, exerted assiduous efforts, and scored prominent achievements. I wish to express heartfelt thanks to you. [applause] I hope you will continue to exert yourselves so as to make even more and greater contributions to the modernization of national defense and to our nation's modernization program as a whole. Thank you. [applause] [end Zhao recording and relay]

Listeners, our reporter (Zhou Yuchun) phoned us from the Astronautical Measuring and Control Center in Xian, Shaanxi, to tell us that Comrade Li Peng was there watching the satellite launch. He also briefed us on the center's work controlling the various experiments.

At the command post in Beijing, we saw Comrade Zhang Aiping personally inspecting and directing the launch operations.

Listeners, according to information provided by the department commanding the launch, this telecommunications and broadcasting satellite for practical use is operating smoothly in the big elliptical orbit before entering its synchronous orbit. All instruments on the satellite are functioning normally, and measuring and control work is proceeding as planned.

Listeners, in the days to come, we will continue to inform you on the operation of this telecommunications and broadcasting satellite, including its entrance into synchronous orbit, positioning [ding dian], and the commencement of its functions. We welcome you to listen to these reports.

Establishes Orbit

OW031026 Beijing XINHUA Domestic Service in Chinese 0911 GMT 3 Feb 86

[Text] Beijing, 3 Feb (XINHUA) -- The telecommunications broadcasting satellite launched on 1 February has entered its quasisynchronous orbit on schedule after successfully igniting the satellite engine from the apogee at 1006 [0206 GMT] this morning. Under ground station control, the satellite was finally set at 103 degrees east longitude above the equator.

CPC CIRCULAR ON SELECTION, PROMOTION OF CADRES

OW010630 Beijing XINHUA Domestic Service in Chinese 0235 GMT 1 Feb 86

[Text] Beijing, 1 Feb (XINHUA) -- On 28 January, the CPC Central Committee issued a circular on selecting and using cadres strictly in accordance with party principles.

The circular says: Earnestly adhering to the principle of making our cadre ranks more revolutionary, younger in average age, better educated, and professionally more competent after the 3d Session of the 11th CPC Central Committee, party organizations at all levels have actively restructured the cadre system and selected a large number of middle-aged and young cadres who possess both ability and political integrity, thus expediting the succession of new cadres to the old and cooperation between new and old cadres, strengthening the contingent of cadres and leading groups, and providing organizational guarantees for the normal progress of socialist modernization and various reforms. The selection and use of cadres today, however, are affected by certain problems, most notably that certain leading cadres have disobeyed party principles and violated discipline for organizational and personnel affairs. Some of them have promoted people according to their likes or dislikes, favor or animosity; or they have used people according to the yardstick of whether the people they use will benefit them. They have also selected people based on the feudalistic concept of family and factional relationship. Some have resorted to all means to "take the back door" in hopes that their children, relatives, and friends will be used or selected; some have used positions in exchange for favors or to make deals; some have fought for higher pay scales for cadres of their own departments or units, or for the upgrading of their affiliated units, in disregard of rules and regulations; and some comrades working in the organizational and personnel affairs departments have ignored principles and their duties, and have even abused their authority and sought personal gain. Although these phenomena have affected only a small number of people, they must be firmly combated and guarded against; their bad influence has endangered the building of the cadre contingent, corroded the party's structure, and tarnished the party's prestige. The CPC Central Committee points out in its circular:

1. With regard to using personnel, leading cadres must set an example in obeying party principles and safeguarding discipline for organizational and personnel affairs.

In using people, leading cadres must uphold the principle of using competent personnel who possess both political integrity and ability; and be impartial, honest, open, and aboveboard. Leading cadres at all levels have the obligation and responsibility to recommend competent personnel to the party through normal procedures; but they have no right whatsoever to use their relatives and good friends in violation of policies, regulations, and rules. People who disregard party principles and discipline for organizational and personnel affairs should not be in leading positions.

If a cadre's child, spouse, or other relative really has political integrity and ability and is eligible for selection, he should be recommended by the masses or party organizations, and handled according to regular procedures like other cadres eligible for selection and appointment. The leading cadres themselves must not instruct the organizational and personnel affairs departments, or give them hints, to promote anybody; nor should they establish relations, or "take the back door," through their aides, colleagues, or other family members; much less should they encourage and support their children, spouse, or other relatives to demand "official posts" by using their position or influence. When relatives and children or leading members of a party committee are involved in discussions of promotion and use of cadres, leading members themselves should refrain from the discussion.

Should they have any suggestions regarding the placement of personnel, veteran cadres retired from leading bodies may present their proposals through normal channels, but they should not interfere with the new leading body's normal operation. Leading cadres transferred to other departments must not interfere with the personnel affairs of their former areas and units.

Upon being transferred, a leading cadre should not bring along with him any other cadre working in his original area or unit; nor should he name any other cadre to work for him in his new unit. Should the transfer of a cadre really be necessary, he must submit an application to a higher party committee for approval beforehand. The organizational and personnel affairs departments are authorized to reject any unauthorized transfer of personnel.

2. In selecting and appointing leading cadres, it is necessary to do so in strict accordance with the regulations.

The procedure for selecting leading cadres for party and government organs is to select candidates based on democratic recommendations and to listen extensively to the views of the people. The decision on the selection of cadres should then be reported to authorities at a higher level after oganizing the personnel department in conducting investigations and the party committees in collectively discussing and making the necessary decision. The organization department at the higher level will further study the case and then submit the case to the party committees for further debate, examination, and approval. No case will be studied and approved if it fails to conform with this procedure. When there is an urgent need to appoint cadres under special conditions, cadres may be appointed or asked to work in this capacity only after the case is reported and the reason for doing so stated to and an approval obtained from authorities at the higher level.

In selecting and appointing leading cadres, those enterprises and undertakings where the leadership system is being reformed on an experimental basis should act in accordance with the aforementioned guidelines and the requirements in carrying out the reforms.

3. In selecting and appointing leading cadres, it is essential to follow the mass line.

In selecting and appointing leading cadres at all levels, we should, first of all, survey public opinion among the cadres and masses in the unit where the candidates work, implement democratic recommendations, or ask the authorities at the higher level to send people to the lower-level units to extensively solicit the views of the masses.

In recommending candidates, it is necessary to boldly let the masses nominate and recommend candidates after ample consultations. Generally, the method of casting secret ballots should be adopted. The party organization at the higher level should give guidance in policy and method.

Under normal conditions, we must fully respect the views of the majority of the people. We should avoid listing as candidates those who fail to win popular support in units or areas where they work. Even if the candidates are recommended by the masses, we must also guard against the practice of making the decision by simply counting the number of votes. It is strictly forbidden to make use of democratic recommendations and poll surveys to win votes and to carry out unlawful organizational activities.

4. Prior to making a decision on selection and appointment of cadres, it is necessary to carefully study the requirements regarding ability and political integrity of anyone filling the post.

In examining a cadre, it is essential to study his past and understand his political integrity, ability, diligence and merits in an overall manner. It is necessary to understand his performance during the "Great Cultural Revolution" and since the 3d Plenary Session of the 11th CPC Central Committee. Attention must be paid to his actual merits in recent years. In studying a cadre's actual merits, we must study what he actually did in his various posts and how he actually carried out his different jobs instead of assessing him from one angle only. We must pay attention to discovering and appointing those cadres who can creatively implement the party's principle and policy, effectively develop a work situation, and serve the people in a down-to-earth manner. Those indulging in empty talk, doing nothing practical, only paying lip service or resorting to deception must never be promoted. In examining cadres, we must enforce a responsibility system. Those who are responsible for examining cadres must adhere to principles and dare to surmount restrictions and oppose obstructions. After examining the cadres, they must write reports based on facts and submit their signed reports to the high authorities.

5. In selecting cadres, it is necessary to hold collective discussions by the party committees. It is forbidden that only one person should make any decision.

The appointment of secretaries, deputy secretaries and Standing Committee secretaries of the party committees at all levels must be made according to the provisions in the party Constitution and through a democratic election held by the plenary session of the party committee at the same level. This appointment is subject to the examination and approval of the party committee at the higher level. On special occasions, cadres may be appointed or asked to work in an acting capacity according to the procedure of investigating, examining and approving appointments. Such action must be reported to the party committee at the higher level for the record. Appointments and dismissals of leading cadres of state organs must be made in strict accordance with the relevant legal procedure.

When the party committees discuss the issue of appointing cadres, the organization and personnel departments must do a good job in preparing necessary reference materials ahead of schedule and must distribute them among the various party committee members. When the party committee holds a discussion at a meeting, a resolution is valid only when more than two-thirds of the committee members are in attendance. The comrade who presides over the meeting must bring democracy into full play. Every committee member must conscientiously express his views in a responsible manner. Finally, a resolution is formulated on the basis of the principle that the minority is subordinate to the majority. On the issue of cadres, it is forbidden for any individual to make a decision by himself. When an individual party committee member disagrees with the collective resolution, he may have reservations or reflect his views to the authorities at the high level, but he has no right to amend or veto the resolution. If an original candidate is rejected in the course of debate, it is necessary to put forward the name of a new candidate according to the stipulated procedure. It is forbidden to make any personnel appointments hastily on the basis of a provisional motion made by any individual committee member.

No one is permitted to disseminate information on discussions in the party committees and the organization and personnel departments on personnel dismissals and appointments. Those who violate discipline in this respect must be dealt with seriously.

6. In selecting cadres, we must select and appoint those comrades according to their merits, comrades who have been tempered by practice.

When cadres are promoted to assume leading posts at the next higher level, they must have been tempered by practice over a certain period and have gained experience in exercising leadership and scored remarkable achievements at the next lower level. In general, cadres must be promoted grade by grade. Those who are promoted more than one grade at a time must be particularly outstanding, or fill a position needing to be filled urgently. College graduates should work at the grass-roots units to receive tempering first. Only those who are really outstanding should be promoted.

As for those who ask for appointments to become "officials," we must resolutely turn them down and also criticize them. We must also criticize those who try to intercede with the authorities for such persons as well as those leaders who make unprincipled accommodations.

Readjustments should be made in time in dealing with those cadres who have been promoted but found incompetent in the course of practice.

It is necessary to regard the exchange of cadres as an important path in promoting and training cadres. In dealing with cadres scheduled for promotion in the course of exchanging cadres, the organization and personnel departments must first send out people to their workplaces and areas to conduct investigations, and then report to the party committees for collective discussions and a decision according to the stipulated procedure. If the original unit disagrees with the promotion, a cadre can only be promoted after he works in the new unit for a certain period and proves that he is really outstanding.

In order to set stricter requirements for leading cadres and to tighten organizational supervision, whenever children of cadres who hold leading posts in the party Central Committee, the National People's Congress, the State Council, the Central Military Commission, the Central Advisory Commission, the Central Discipline Inspection Commission, and the National CPPCC Committee are to be promoted more than one grade at a time to leading positions (including promotions from the position of a deputy at a lower grade to that of a higher grade, or from the position of the chief of an office at a lower grade to that at a higher grade) at or above the county level, all planned promotions must be submitted to the CPC Central Committee's Organization Department for examination. Appointments will be made according to the jurisdiction of cadres with the approval of the CPC Central Committee Secretariat. Whenever children of leading cadres who hold the position of a chief of an office at the provincial or departmental level are to be promoted more than one grade at a time, the planned promotions must be submitted to the CPC Central Committee's Organization Department for examination and approval; where children of leading cadres holding the position of deputy of an office are to be promoted more than one grade at a time, the planned promotions must be submitted to the provincial (departmental) level party committees (party groups) in the area or department where the cadres' children work for examination, and appointments will be made according to cadres' jurisdiction with the approval of the above-mentioned party committees or party groups.

7. Arbitrarily establishing new organs, upgrading an organ, and enlarging the staff in an organ will be strictly prohibited.

All areas and departments must examine and streamline themselves according to the circular of the CPC Central Committee and the State Council on the banning of arbitrarily establishing new organs and enlarging the size of a leading organ. Organs that warrant being abolished must be abolished, and those that do not warrant upgrading must be restored to the original level. All arbitrarily created new positions for leading cadres not approved through procedures provided by regulations will be regarded as null and void. Henceforth, when it is necessary to set up a new organ or or to upgrade an organ, the department in charge of the same category of organizations must submit a special report to a department in charge of the size of organizations for examination, and applications will be approved by the party committee or government at a higher level according to the recommendations of the department in charge of the size of organizations. No individual leading cadres are empowered to approve applications to set up new organs, upgrade organs, and enlarge the staff of organs.

8. Organizational and personnel departments at all levels must earnestly carry out their duties and serve as good advisers and assistants for party committees.

Party committees at all levels should make good use of the suggestions of organizational and personnel departments when holding a discussion to select and promote cadres. Cadres of organizational and personnel departments must abide by party principles and discipline in an exemplary manner and dare to reflect the real situation, to adhere to principle, and to resist violations of party principles and disruptions of discipline in organizational and personnel departments. Persons who violate principle, curry favors from a higher level, abuse power, and engage in malpractices in promoting cadres must be criticized, transferred, and dismissed according to the merit of the case. In order to enable organizational and personnel departments to do their work well and to improve guidance and supervision, the appointments and removals of directors and deputy directors of the organizational departments of all provincial, autonomous, and municipal party committees; of the cadres in departments and commissions of the party Central Committee and state organs; and of the directors and deputy directors of the personnel sections or bureaus of the departments and commissions of the CPC Central Committee and state organs, must be approved by the CPC Central Committee's Organization Department.

The circular calls on party committees at all levels to organize an earnest discussion of this circular after they had received a copy of it, and to constantly teach leading cadres to adhere to the principle of appointing people on their merits and oppose the principle of appointing people by favoritism. Party committees at all levels should work out measures for implementing the circular in light of the reality in their areas and departments. At the same time, they should examine their work on selecting, promoting, and employing cadres, and they must promptly and decisively address problems discovered in the examination.

HU QILI ADDRESSES MEETING OF INTELLECTUALS

OW010146 Beijing XINHUA Domestic Service in Chinese 1435 GMT 31 Jan 86

[Speech by Hu Qili on 31 January in Beijing at meeting of "middle-aged and young" intellectuals]

Comrades: Today, over 200 middle-aged and young intellectuals in Beijing have gathered happily at this meeting sponsored by the Organization Department of the CPC Central Committee to usher in the Year of the Tiger. On behalf of the CPC Central Committee and the State Council, allow me to extend their cordial regards and festive greetings to you, as well as to all of the old, middle-aged, and young intellectuals throughout the country!

You all know that enormous successes attracting worldwide attention have been accomplished on our country's industrial, agricultural, educational, scientific, cultural, and other fronts during the first 5 years of the 1980's, and that our socialist modernization has been proceeding vigorously in all areas in our great socialist motherland. This is an achievement of the united struggle of people of all nationalities, including of course the toil, sweat, and wisdom of the tens of millions of intellectuals, under the leadership of the party and the government. The new and important contributions made by broad masses of intellectuals to our material and spiritual construction during the Sixth 5-Year Plan period were a brilliant chapter in the history of construction of our People's Republic. On behalf of the CPC Central Committee and the State Council, allow me to express my heartfelt thanks and highest respects to all intellectuals fighting on all fronts!

The last 5 years of the 1980's will be an extremely important period. The magnificent blueprint that we have drawn up for economic and social development during the Seventh 5-Year Plan period dictates that, while we must continue to pay attention to economic construction, we must also successfully accomplish two major projects, namely restructuring the national economy, with the focus on urban economy, and promoting socialist ethics, so as to lay a solid foundation for achieving economic rejuvenation and prosperity during the 1990's. This new assignment has presented new and higher requirements to the nation's intellectuals.

We must combine our lofty communist ideals and our real targets of struggle and work hard to achieve our objectives in a down-to-earth manner. While the current situation is fine and highly favorable to us in pushing our cause forward, we are also confronted with many difficulties and problems. As the most educated people of the working class, our intellectuals should have lofty ideals and ambition, place the interests of the state and people at the forefront, and press forward courageously regardless of difficulties. We should encourage this spirit among intellectuals: For the sake of the success of the cause of the party and the people, and for the sake of the nation's prosperity and the people's happiness, they should give no thought to their personal gains or losses. This virtue of New China's intellectuals and invaluable spiritual strength should be encouraged and carried forward at all times.

We must be good at integrating individual efforts and collective wisdom, work in unity and deal with difficulties in a cooperative manner. Intellectuals' mental work is, more often than not, individual labor. However, following the development of modern science and technology, many problems appearing in the course of our material and spiritual construction cannot be solved by the knowledge, experience, and ability of any one individual, but require collective wisdom and efforts. Some projects can be accomplished only through close coordination and cooperation among various specialized branches of learning. Marx once said that cooperation not only will improve individual productivity, but also will create a productivity arising from collective efforts. While we must fully endorse individual efforts, we must energetically encourage a collectivist spirit. Old, middle-aged, and young intellectuals must learn from each other's strong points to offset each other's weaknesses and improve together. Middle-aged and young intellectuals should respect and learn humbly from their older counterparts, and old intellectuals should enthusiastically foster and cultivate middle-aged and young intellectuals, and encourage and help them to do even better than themselves academically.

We should strive to integrate learning from books and learning through doing actual work, and integrate the learning of professional knowledge and the study of political theories so as to refresh our knowledge and become more proficient. It is a good thing that the broad masses of intellectuals have been diligently studying professional knowledge and paying attention to learning modern science and other knowledge from foreign countries in recent years.

However, all intellectuals with lofty aspirations and goals must also learn from the work accomplished in our socialist modernization and from the broad masses of basic-level cadres, workers and peasants who have practical experience. Each and every intellectual should also earnestly study basic Marxist theories in order to be able to observe things and analyze situations from a correct position and with a scientific approach. Only when they are able to do this can they continue to advance with time.

After several years of work, an increasing number of people in our leading bodies at various levels have become aware of the need to respect knowledge and proficient personnel. This is great progress by our party. But this is not enough. We must learn how to use our proficient personnel rationally and do as much as we can to improve intellectuals' pay and working conditions so that they will have fewer cares at home and can give full scope to their capabilities. I think the meeting today, sponsored by the Organization Department of the CPC Central Committee, to strengthen ties among intellectuals on all fronts shows our party's determination to further encourage the good conduct of respecting knowledge and proficient personnel. Party and government organizations at all levels must continue to work in a down-to-earth manner to help intellectuals solve their problems, and to create conditions needed to achieve their goals and give full scope to their wisdom and talents. At the same time, party and government organizations at all levels must care for intellectuals politically and operationally, and help them advance continuously. We hope the organization departments of central and local party organizations not only will serve as homes of party members and cadres, but also as homes of intellectuals. We also hope that the broad masses of intellectuals will do a still better job in shouldering their historical responsibilities and join the people throughout the country in making new contributions to accomplish the Seventh 5-Year Plan and build a Chinese style socialist society!

Session Detailed

OW311900 Beijing XINHUA Domestic Service in Chinese 1411 GMT 31 Jan 86

[By reporter Li Shangzhi]

[Text] Beijing, 31 Jan (XINHUA) -- Hu Qili, member of the Political Bureau and the Secretariat of the CPC Central Committee, said: "During the Sixth 5-Year Plan period, vast numbers of intellectuals made new and important contributions in promoting the building of the two civilizations, and thus they wrote a brilliant page in the history of construction of our People's Republic. On behalf of the CPC Central Committee and the State Council, I give you my heartfelt thanks and highest respects." The audience burst into warm applause.

"We hope that the organization departments at the central level and at all local levels will not only be the homes of party members and of cadres, but will also be the homes of intellectuals. We also hope that the vast numbers of intellectuals will fulfill their responsibility in an even better way, and join people throughout the country in making new contributions to fulfilling the Seventh 5-Year Plan and building socialism with Chinese characteristics." The audience again burst into warm applause.

This was the moving scene at a forum of some Beijing middle-aged and young intellectuals held by the Organization Department of the CPC Central Committee in the Great Hall of the People this morning.

Wei Jianxing, director of the Organization Department of the CPC Central Committee, presided over the meeting. Soon after the forum began, he said: Since the 3d Plenary Session of the 11th CPC Central Committee, the broad masses of intellectuals in our country have had a vast world in which to dedicate themselves to the service of their country. Our party is proud to have such a contingent of intellectuals working hard and forging ahead without fear of hardship to make contributions to the country and the people. We have invited you more than 200 middle-aged and young intellectuals to this simple tea party so that you can have a heart-to-heart talk with central leading comrades on how to make our work vigorous in the Year of the Tiger.

Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, said in addition: "This so-called heart-to-heart talk is primarily designed for us to listen to your opinions."

Hu Qiaomu, also a member of the Political Bureau of the CPC Central Committee, humorously interposed: "It seems that we have a custom of making auspicious remarks around the Chinese New Year. As we are intellectuals, let us break this custom today; never mind whether our remarks are auspicious or not. We hope that you will speak freely, and we do not mind hearing things which are unpleasant." His words aroused the audience. Some of those outstanding middle-aged and young intellectuals present applauded, while others indicated their consent by laughing. Other leading comrades present also smiling nodded their heads to express their approval. They were Li Peng, member of the Political Bureau and the Secretariat of the CPC Central Committee and vice premier of the State Council; Peng Chong and Zhou Gucheng, vice chairmen of the NPC Standing Committee; and Yang Jingren, vice chairman of the CPPCC National Committee.

"Let me say a few words." "Give me a few minutes." "I would like to present my views ...."

No sooner had the leading comrades finished talking than many middle-aged and young intellectuals vied for the floor. Seeing such an enthusiastic scene, Wang Zhaohua, deputy director of the Propaganda Department of the CPC Central Committee, had to tell them with a smile: "Since many comrades want to speak and our time is limited, please keep your speech simple and direct." In a cordial and vigorous atmosphere, many intellectuals spoke. They were Hu Daofen, an assistant researcher of the Beijing Academy of Agriculture and Forestry; Xiu Ruijuan, a researcher of the Chinese Academy of Medical Sciences; Sheng Chengfa, an ecologist at the Zoological Institute of the Chinese Academy of Sciences; Nie Weiping, a famous Weiqi player; Niu Shufang, an outstanding political instructor of the Qinghua University; Luo Zhao, an assistant researcher of the Institute of Religion of the Chinese Academy of Social Sciences; Li Ling, an actor of the Central Experimental Modern Drama Theatrical Company; Li Mo, a teacher of the Beijing College of Aeronautics; Tang Mancheng, an associate professor of the Beijing College of Dancing; Li Guyi, a singer; Shang Erchang, an assistant researcher at the Acoustics Institute of the Chinese Academy of Sciences; Wang Liping, director of the film studio orchestra; Xia Min, editor of the People's Literature Publishing House; Liu Manhua, deputy principal of the Beijing Municipal Jingshan School; Jiang Kun, a comic dialogue performer; Ren Jianfang, a physician in charge of the Beijing Railway General Hospital; Hai Jintao, an engineer of the mechanical and electrical institute of the Ministry of Machine-Building Industry; and Qi Shouxun, chief engineer of the Beijing coal mining machinery plant of the Ministry of Coal Industry.

They said: Since the 3d Plenary Session of the 11th CPC Central Committee, the broad masses of intellectuals in our country have had an ease of mind and a vast world in which to dedicate themselves to the service of their country. Now it is indeed a golden age for intellectuals with lofty ideals to contribute to their country and the people. Liu Manhua said: Humans should have some spirit, a spirit of dedication to the cause of the country and the people.

Money cannot buy awareness, and our enthusiasm is not fired by money. Only when we dedicate ourselves with a fervent heart to our nurturing motherland and to the people can we say we have a noble moral character. Hai Jingtao said: China's intellectuals have both knowledge and political consciousness. They know very well that the party, the motherland, and the people attach importance to them and place high hopes on them. Because our country, though big, had a poor foundation to start with, the working and living conditions of some intellectuals still cannot be immediately improved. We should understand the difficulties facing our party and our government. We should have the mentality of "worrying ahead of other people and enjoying the fruits after them," and we should join people throughout the country in working hard under the party leadership to accomplish socialist modernization. Only in this way can we effectively improve the intellectuals' working and living conditions.

At the forum, the central leading comrades accepted on-the-spot demands and suggestions made by some middle-aged and young intellectuals. For instance, Jiang Kun asked the leading comrades to support the practice of satire in comic dialogue. Comrade Xi Zhongxun said that in order to promote the building of socialist material and spiritual civilizations, comic dialogue performers may and should satirize and criticize unhealthy social phenomena. With a smile he said to Jiang Kun: "Let's consider this question settled." Jiang Kun, who looked "somber" as first, was cheered by Xi Zhongxun's words. After listening to the intellectuals' speeches, Zhao Dongwan, minister of labor and personnel, said at the meeting: The party Central Committee and the State Council understand very well the situation of our intellectuals, and they are paying great attention to improving your working and living conditions. In the last few years, the party and the state have done what they can and have made some improvements in intellectuals' livelihood and working conditions. In the days to come, they will continue to adopt concrete measures and policies to further improve your working and living conditions. Your speeches show that you understand the situation and that the broad masses of our intellectuals have a very high awareness.

The participants gave Comrade Hu Qili a big hand, urging him to speak. Hu Qili pointed out that in the first 5 years of the 1980's, all fronts in China made great achievements, attracting worldwide attention. He pointed out that the achievements also contained the sweat and wisdom of China's several tens of millions of hardworking intellectuals. He urged the intellectuals to integrate lofty communist ideals with the objectives of current work and work hard in a down-to-earth way; to combine individual efforts with collective wisdom and cooperate to overcome difficulties; and to absorb knowledge from books as well as from practice, learn vocational knowledge and political theories at the same time, and constantly enhance their knowledge and ability. The forum began at 0900. Many comrades still wanted the floor when it was almost 1300. Comrade Xi Zhongxun said: "From now on, party organizations in all localities and departments should hold such forums, not just once a year but several times a year." Then Comrade Hu Qiaomu said: "Not only is it necessary to hold more meetings; it is also necessary to solve more problems." The audience burst into laughter and applause. The meeting was over, but many intellectuals still surrounded the leading comrades chatting and laughing.

CPC DISCIPLINE COMMISSION ISSUES COMMUNIQUE

OW021050 Beijing XINHUA Domestic Service in Chinese 0731 GMT 2 Feb 86

[Communique of the Seventh Plenary Session of the Discipline Inspection Commission of the CPC Central Committee (1 February 1986)]

[Text] Beijing, 2 Feb (XINHUA) -- The Seventh Plenary Session of the Discipline Inspection Commission of the CPC Central Committee was held in Beijing from 28 January to 1 February.

Attending the session were 111 members of the Discipline Inspection Commission of the CPC Central Committee. Present at the session as observers were responsible persons of the discipline inspection organs of various provinces, autonomous regions and municipalities directly udner the central government, central state organs, ministries and commissions and the People's Liberation Army. The session was held under the direct leadership of the party Central Committee. The main task of the session is to further implement guidelines laid down by the National Conference of Party Delegates and the conference of cadres of central organs; disseminate important instructions recently given by the central leading comrades on rectifying party style; work out a plan to improve party style for 1986; and mobilize and organize the whole party and the social forces to strive in fundamentally improving party style.

The plenary session conscientiously studied the important speeches made by Comrade Hu Yaobang and Comrade Deng Xiaoping and the important written comments made by Comrade Chen Yun. It further studied the speeches made by central leading comrades at the conference of cadres of central organs. The plenary session regarded these speeches and written comments as its guiding ideology.

Wang Heshou, second secretary of the Central Discipline Inspection Commission, presided over the session. Permanent Secretary Han Guang reported to the plenary session on the "Minute of the Report" submitted by the Central Discipline Inspection Commission to the Secretariat of the CPC Central Committee on rectifying party style, and relayed the instructions given by the Secretariat. The "Minute of the Report" has been approved by the Secretariat in principle. Analyzing the situation in party style, the minute pointed out: To rectify party style at present is a pressing task for the whole party. This year, we must pay attention to three things: One, we must concentrate our efforts in vigorously fighting unhealthy tendencies; two, we must conduct education on party character; and three, we must strictly improve discipline. While vigorously fighting unhealthy tendencies, there is a need to hit hard at serious economic activities such as profiteering, speculation, fraud, smuggling, corruption, and bribery. Meanwhile, close attention must be paid to struggles in the realm of ideology. Practices of bourgeois liberalism which run counter to the four basic principles must be resolutely opposed, and cases involving a violation of discpline must be investigated and dealt with resolutely.

In order to fulfill this year's tasks, we must adopt effective measures. 1) It is necessary for the whole party to grasp the party style. The principal leading comrades must personally carry out this task. 2) It is essential to vigorously investigate serious cases. 3) It is imperative to strengthen organizational life and conduct criticism and self-criticism throughout the party. 4) It is necessary to strengthen ties with the relevant departmens. 5) Improving the qualities of those working in the discipline inspection organs is essential. The plenary session called on the party committees and discipline inspection organs at all levels to implement these tasks on the basis of the minute and in close connection with the actual situation in one's own locality.

The plenary session also debated the "Several Questions on Enhancing Party Character and Improving Party Members' Ideology and Work Style under the New Situation" (draft) and the "Circular on Strengthening Discipline" (draft).

The plenary session held: Under the leadership of the party Central Committee, a favorable situation prevails in rectifying party style and correcting unhealthy tendencies at present. The party committees at all levels must strengthen their leadership. The discipline inspection departments must keep pace with this situation and help the party committees at all levels firmly grasp this work.

The discipline inspection organs at all levels and all discipline and inspection cadres must play their exemplary role well in rectifying party style. They must enhance revolutionary vigor, improve their work methods, closely coordinate with the relevant departments, and firmly grasp serious cases of unhealthy tendencies and acts in violation of law and discipline, especially those involving leading offices and cadres. We must make full use of negative examples in educating the broad masses of party members and cadres on party character, party style, and party discipline. With the progress in our work, we must promptly understand the new situation and the new problems, strengthen our leadership, and have a good grasp of policy so that we will able to smoothly carry out this work according to the plan of the party Central Committee.

The plenary session noted: Under the leadership of the party Central Committee, we have the determination and confidence to implement our work well in rectifying party style. We will definitely be able to fulfill the task of fundamentally improving party style.

Second Secretary Wang Heshou and Permanent Secretary Han Guang of the Central Discipline Inspection Commission delivered speeches at the closing ceremony of the session.

MILITARY DISCIPLINE COMMISSION HOLDS SESSION

OW021307 Beijing XINHUA Domestic Service in Chinese 0859 GMT 2 Feb 86

[By reporter Ga Yumin]

[Text] Beijing, 2 Feb (XINHUA) -- The Third Plenary Session of the Discipline Inspection Commission of the Central Military Commission, held over a 7-day period, stressed: In order to fundamentally improve the Army's party style, party committees, political organizations, and discipline inspection commissions at all levels in the Army should not just sit down and talk, but should take concrete action to truly solve problems and achieve solid results.

On 31 January, Yang Shangkun, vice chairman of the Central Military Commission, and Yu Qiuli, Yang Dezhi, Zhang Aiping, and ong Xuezhi, deputy secretaries of the commission, attend the session. Comrade Yang Shangkun made a speech.

Yang Shangkun said: The Army should be in the vanguard in bringing about a fundamental improvement in party style. The current task is to make genuine efforts and take concrete action. The period set for studying the documents should not be too long. It is also necessary to make examinations and correct mistakes. Currently efforts should be focused on solving the six serious problems identified in the circular issued by the General Offices of the party Central Committee and the State Council. There are other problems in the Army, and without solving them, we cannot achieve a fundamental improvement in party style. Therefore, when a unit conducts an examination, it should not limit itself to checking against the six serious problems. Leading cadres and organs at all levels should genuinely strive to achieve fruitful results.

Yang Shangkun pointed out: In improving party style and reinforcing discipline, we should not rely on discipline inspection commissions alone. All party members, party branches, and all levels of party committees and commanding, political, and logistics departments should strive to improve party style and reinforce discipline. Discipline inspection commissions at all levels should rely on the appropriate level party committees and should mobilize all party members in improving party style.

The Third Plenary Session of the Discipline Inspection Commission of the Military Commission, which began on 27 January, ended on 2 February. The session earnestly studied the important speeches by Comrades Hu Yaobang and Deng Xiaoping on improving party style and Comrade Chen Yun's important written instructions, as well as guidelines of the meetings of cadres of central organs, and studied and formulated measures for realizing the important policy decision made by the party Central Committee and the Military Commission in light of the actual situation in the Army. Zhang Boxiang, deputy secretary of the Discipline Inspection Commission of the Military Commision, made a work report at the plenary session, entitled: "Leading Organs and Cadres South Take the Lead in Striving to Realize a Fundamental Improvement in Our Army's Party Style in 1986." The session held: In striving for a fundamental improvement in the Army's party style this year, it is necessary to make vigorous efforts in accordance with the principle calling for "firmness and persistence" and in the spirit of "making less empty talk and doing more solid things," and achieve tangible results in the first quarter, marked success in the first 6 months, and a fundamental improvement in the Army's party style after a year. The session called on party committees at all levels to regard improvement of party style as an important item on the agenda. Principal leading comrades at all levels should personally attend to work at each level. Leading organs and cadres should play an exemplary role in earnestly resolving problems related to unhealthy tendencies. it is necessary to investigate seriously and handle major and grave cases and conspicuous problems that have a strong influence. It is also necessary to increase education in party spirit and heighten party members' awareness. Discipline inspection cadres at all levels should improve work style and methods, raise efficiency, and perform their duty without selfishness and fear.

Guo Linxiang, secretary of the Discipline Inspection Commission of the Military Commission, spoke today, reviewing the meeting. He stressed: After the closing of the session, we must conscientiously implement the instructions of the party Central Committee and the Military Commission and carry out our work in a down-to-earth manner. Discipline inspection cadres should study party and Army discipline and state laws, and lose no time in investigating and handling major and grave cases. They should not be irresolute nor dilatory in doing things, but should resist intercession or other resistance, uphold the principle that all are equal before party discipline, and investigate and punish, in accordance with party discipline and state laws, all cases regardless of the level of organizations and cadres involved. While striving relentlessly to tackle major and grave cases and reinforce party, Army, and government discipline, it is also necessary to pay keen attention to building spiritual civilization and carrying out ideological and political work in order to bring about a fundamental improvement in the Army's party style within this year.

PLA GAMES SUSPENDED DUE TO UNHEALTHY TENDENCIES

OW312156 Beijing XINHUA Domestic Service in Chinese 1630 GMT 31 Jan 86

[Text] Beijing, 31 Jan (XINHUA) -- In order to correct unhealthy tendencies and ensure a sound development of the PLA's physical culture work, the Central Military Commission has decided to suspend the Fifth All-Army Games originally scheduled for this April or May. It is reported that during the preparatory period for the Fifth All-Army Games, some units have committed fraud in recruiting athletes, thus perverting the conduct of the Army and undermining unity both inside and outside of the Army.

During a recent briefing on the preparatory work for the All-Army Games, Yang Shangkun, vice chairman of the Central Military Commission, sternly criticized fraud in recruiting athletes and seriously pointed out the necessity of resolutely correcting the unhealthy tendency. He said: If we fail to correct the unhealthy tendency that we see, it is tantamount to our taking the lead with our eyes closed in promoting unhealthy tendencies.

Then the relations between the Army and the government, between the Army and the people, and within the Army itself will become bad, and the reputation of the Army will be besmirched. He emphasized: We should resolutely suspend the games for the sake of improving the party style. As long as we have clearly explained the situation, the party, the government, the Army, and the people will all support the suspension, and it will not affect the prestige of the Army.

Recently, the All-Army Games leading group held a meeting of the comrades in charge of the preparations for the games from various military regions and major services and arms, conveyed the Military Commission's decision to them, and set demands for resolutely implementing the decision. The comrades attending the meeting unanimously supported the Central Military Commission's decision. They held that the suspension of the All-Army Games shows the Military Commission's determination to correct unhealthy tendencies. They have pledged to do a good job in seriously dealing with problems after the suspension and to respond with deeds to the Military Commissions's call for "the Army to take the lead in improving the party style."

CHEN MUHUA ENCOURAGES PEASANT SAVINGS DEPORTS

OW012200 Beijing XINHUA Domestic Service in Chinese 151B GMT 31 Jan 86

[By RENMIN RIBAO reporter He Jiazheng and XINHUA reporter Wang Yingchun]

[Text] Beijing, 31 Jan (XINHUA) -- Chen Muhua, state councillor and governor of the People's Bank, said today at a national meeting of presidents of all branches of the Agricultural Bank of China: The Agricultural Bank's key task this year is to actively boost savings deposits and make every effort to make more funds available and improve the bank's services. In extending credit loans in rural areas, it is necessary to ensure that priority requirements are met and that limited capital is put to good use.

Chen Muhua said: Last year the Agricultural Bank made positive efforts to readjust the use of funds. This basically ensured the fulfillment of the needs of funds for agricultural production and for purchase of farm and sideline products. In addition, the Agricultural Bank persisted in controlling its loans to village and town enterprises within the planned limit, thus contributing to strengthening macroeconomic control.

Chen Muhua noted: This year the bank's credit capital will be even more constraining. In using this capital, it is necessary to ensure the fulfillment of priority requirements and use of the limited funds properly. The focus of the Agricultural Bank's work this year is to devote its main efforts to supporting agricultural production and ensure the purchase of farm and sideline products. There should be no hesitation at all in meeting these two needs, and every measure should be taken to ensure their fulfillment. Failure to insure the fulfillment of these two needs will adversely affect the entire national economy. It is necessary to adopt a principle of supporting only deserving village and town enterprises. Emphasis should be placed on supporting the development of small hydroelectric power plants, small collieries, and other small mines, animal-breeding and plant-growing projects, and processing enterprises which make goods for export and products urgently needed on the domestic market. Loans should be reduced for those enterprises characterized by poor economic results, high energy consumption, backward technology, few market possibilities.

Referring to boosting savings deposits, Chen Muhua said: Bank funds come from two sources: the issuance of currency and the absorption of deposits. The issuance of currency is restricted by objective economic conditions. The amount of currency in circulation must be appropriate; otherwise, dire consequences will ensure. Therefore, the only important channel for increasing bank funds is boosting savings deposits. Only when the bank has more savings deposits can it extend more loans.

The currency in circulation in China's rural areas amounts to more than 60 billion yuan, accounting for 70 percent of the nation's total money in circulation. In 1985 peasants' cash on hand was 25 percent more than the preceding year. As can be seen, there is great potential for soliciting savings deposits from the vast countryside. The deposits now obtained by the Agricultural Bank itself cannot meet the fund requirements for extending loans. This state of affairs, which is quite unsuited to the development of the rural commodity economy, should be changed.

Chen Muhua asked the Agricultural Bank to do the following in order to absorb more deposits: It should do more propaganda work to help peasants overcome their fear of "showing affluence" and to help them understand the advantages of savings and their significance in supporting national construction. Active steps should be taken to boost the network of savings centers and promote the establishment of bank service agents so as to make it more convenient for peasants to deposit their money. The varieties of savings deposits should also be increased. For example, certain kinds of raffle savings deposits and savings deposits for purchase of expensive essential items and for housing construction may be introduced so as to arouse the peasants' enthusiasm for saving. In addition, the bank should continue to do well in issuing bank bonds, earnestly improve its services, prolong its business hours, and make it convenient for the masses to open and close accounts.

DU RUNSHENG SPEAKS AT SHANXI PARTY CONFERENCE

HK280147 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 27 Jan 86

[Text] In order to better appreciate, understand, and implement the spirit of this year's Central Document No 1, on 27 January the provincial CPC Committee invited Du Runsheng, director of the Rural Policy Research Office of the Central Secretariat, to deliver a report on the situation in China's rural reforms to the participants in the provincial CPC committee work conference and to responsible cadres of the provincial organs. The meeting took place in the Hubin Hall in Taiyuan.

Comrade Du Runsheng said in his report: As a result of 6 years of reforms, agriculture in China has advanced at a fine speed, the peasants' incomes have greatly increased, and we have basically put an end to the need to import agricultural products. He said: This agricultural growth makes up for previous deficiencies [words indistinct]. The reforms have brought into play, in concentrated form, the previous production potentials and the newly-emancipated productive forces. [Passage indistinct]

This year's Central Document No 1 stresses that agriculture is the foundation for the development of the national economy, and highlights the strategic position of agriculture. [Passage indistinct] Comrade Du Runsheng cited vivid facts to show that the orientation of China's reforms is correct. [Passage indistinct] We must pay attention to the question of mobility of the labor force. Comrade Du Runsheng also spoke on the question of guidance for the rural economy.

COUNTY LEVEL ADMINISTRATIVE CHANGES ANNOUNCED

HK310603 Beijing RENMIN RIBAO in Chinese 26 Jan 86 p 4

[Text] From July to December 1985, the State Council approved the following changes in administrative divisions at and above the county level.

Nei Monggol Autonomous Region: Huolinguole City has been established (a county-level city). A portion of the administrative area of Jerim League's Jarud Banner is incorporated into the city, which is under the leadership of Jerim Leaque. The seat of the city people's government is at Zhusihua.

Jilin Province: 1. Gongzhuling City was made into a county-level city, and Yitong County has been put under the jurisdiction of Siping City.

2. Meihekou City was made into a county-level city and Huinan and Liuhe Counties have been put under the jurisdiction of Tonghua City.

Zhejiang Province: 1. Zhenhai County has been abolished and its administrative area incorporated into Ningbo City's Zhenhai District. Zhengai District has been established in Ningbo City, and the administrative area of Ningbo City's Binhai District has been expanded.

2. Yuyao County has been abolished and Yuyao City established (a county-level city). The city incorporates the former county's administrative area.

Fujian Province: Licheng District is added to Quanzhou City without suburban districts attached for the time being.

Henan Province: Urban districts have been set up in Puyang City.

Guangdong Province: Dongguang County has been abolished and Dongguan City established (a county-level city). The city incorporates the former county's administrative area.

Sichuan Province: Cangxi County in Nanchong Prefecture has been put under the jurisdiction of Guangyuan City.

Gansu Province: 1. Tianshui Prefecture has been abolished and Tianshui City upgraded to a prefectural level city. Tianshui County has been abolished and its former administrative area incorporated into Tianshui City. Qincheng and Beidao Districts have been added to Tianshui City.

2. The former Tianshui Prefecture's Qinan, Wushan, Gangu, and Qingshui Counties and Zhangjiachuan Hui Autonomous County have been put under the jurisdiction of Tianshui city.

3. The abolished Tianshui Prefecture's Huixian and Liangdang Counties have been incorporated into Longnan Prefecture.

Qinghai Province: 1. Minhe County has been abolished and the Minhe Hui and Tu Autonomous County established. The latter covers the former's previous administrative area.

2. Datong County has been abolished and the Datong Hui and Tu Autonomous County established. The latter incorporates the former's previous administrative area.

Notes: To help readers acquire a timely understanding of the changes in China's administrative divisions at county level or above, and to meet the needs of the work of party, government, Army organizations, mass organizations, and units, the Ministry of Civil Affairs has compiled a book called "The Administrative Divisions of the PRC" which is published every year by the Cartographic Publishing House and distributed by Xinhua Bookstore. Readers may buy them from the Xinhua Bookstore if required.

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XIAMEN COURT SENTENCES ECONOMIC CRIMINALS

HK311245 Beijing ZHONGGUO XINWEN SHE in Chinese 1353 GMT 29 Jan 86

[Text] Xiamen, 29 Jan (ZHONGGUO XINWEN SHE) -- This afternoon Xiamen City Intermediate People's Court and other grass-roots courts sentenced according to law 14 economic criminals whose cases were serious.

Fourteen culprits involved in nine gross economic criminal cases were sentenced today, including Chen Qifa, former manager of the first business department of the Xiamen International Enterprise Company Limited, who was given a life sentence for accepting graft totaling over 59,400 yuan by taking advantage of the conveniences provided by his position and for snatching by fraud reparations worth 12,500 yuan or more; Chen Jinhuo, former deputy head of the business section of the Xiamen City Import Office and former deputy manager of the business department of the Sanjiang General Trade Development Company, who was sentenced to life imprisonment for successively taking bribes in cash and in kind totaling over 48,000 yuan by taking advantage of the conveniences provided by his position as the person in charge of examining and approving matters relating to imports and business dealings and signing contracts with Hong Kong businessmen and for selling imported cloth remnants outside the island in violation of the regulation that the "sale of cloth remnants is confined to the island," thus evading more than 570,000 yuan in customs duties; and Chen Wenhai, former deputy manager of the Xiamen City Travel and Shopping Center, who was sentenced to 16 years' imprisonment for committing crimes such as smuggling, graft, and corruption. The other economic criminals were separately sentenced to imprisonment for various terms.

JIANGXI'S WAN SHAOFEN ADDRESSES CADRE MEETING

OW302359 Nanchang Jiangxi Provincial Service in Mandarin 0300 GMT 25 Jan 86

[Speech by Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee, at a meeting of cadres of provincial-level organs: "Enhance Understanding, Take Positive Action, and Play an Exemplary Role in Improving Party Style in the Province"]

[Excerpts] Comrades, the Central Secretariat called meetings on the morning of 6 January and the afternoon of 9 January, which were attended by 8,000 cadres of the central organs. Comrade Hu Qili chaired the meetings, during which central leading comrades Hu Yaobang, Tian Jiyun, Wang Zhaoguo, Yang Shangkun, and Zhao Ziyang made important speeches, calling on the central organs to play an exemplary role in improving party style in the entire nation, in order to strive for a fundamental improvement in party style and general social conduct, achieve successes in economic structural reform focused on the urban economy, complete the Seventh 5-Year Plan, and build socialism with Chinese characteristics.

The party Central Committee's important policy decision, which conforms with the aspirations of the party, the Army, and the people has immediately received enthusiastic support from the masses of party members, cadres, and ordinary people. On 13 January, the provincial party committee called an enlarged meeting of the Standing Committee to study the central leading comrades' speeches and, on 16 January, it issued a circular calling on party organizations at all levels in the province to diligently study and resolutely implement the central leading comrades' important speeches.

I would like to take this opportunity to brief you on the situation in Jiangxi, a subject for which you have shown profound concern. Under the guidance of the party's line, principles, and policies and the kind solicitude and specific instructions given by the central leading comrades to Jiangxi, and owing to the common efforts of party members, armymen, and people, including cadres of the provincial-level organs, in the province, the situation in Jiangxi has improved annually, the political situation characterized by

stability and unity has been increasingly consolidated and developed, and the economy has grown in a sustained, stable, and balanced manner since the 3d Plenary Session of the 11th CPC Central Committee. On the basis of a 13.3 percent increase in 1984, the province again increased the 1985 total industrial and agricultural output value by 19.2 percent, a growth rate slightly higher than the national average for the first time. Of this, the increase in industrial output value was 22.4 percent, ranking 4th in the country and rising from 11th in 1984; the increase in agricultural output value was 13.6 percent, ranking 6th and rising from the 17th in 1984. Despite readjustment in crop distribution, 1985 was another year of bumper grain harvests, with an all-time record in per-unit yield and total output ranking 10th in the country, rising from the 19th in 1984. The output value of village and town enterprises increased by 60.4 percent. Industrial economic efficiency has improved markedly. Production in the coal, cement, steel, and electric power industries and durable consumer goods set records. Light industrial growth rate surpassed that of heavy industry for the first time. The quality of manufactured goods has continually improved.

Financial revenues were the best ever, topping the previous year by 27.9 percent, a figure slightly higher than the national average for the first time. The people's living standards have improved. Peasant's per capita net income increased by 10.7 percent, or 36 yuan. The annual income of state enterprise workers averaged 1,000 yuan, an increase of 16 percent over the previous year. Nearly 160,000 urban residents obtained jobs. Urban and rural markets have thrived, and commodity prices are, in general, relatively stable. Progress has been made in the construction of old revolutionary bases, an issue meriting the attention of all concerned, as well as in science and technology, education, culture, public health, and physical culture.

However, we should soberly note that, although the situation is excellent, there are certain dark aspects, and that, although our party style has begun to improve, quite a few problems still remain. While old problems are being solved, new unhealthy tendencies, some rather serious, have emerged under the new situation. The serious problems identified in the Document No 57 issued by the General Office of the CPC Central Committee, and major manifestations of such unhealthy tendencies are bureaucracy, liberalism, individualism, selfish departmentalism, sectarianism, and pragmatism [shi yong zhu yi], pointed out in Comrade Wang Zhaoguo's speech, also exist in Jiangxi.

Currently, the masses of people are especially critical of the provincial-level organs in the following aspects: Some departments and leading cadres have failed to perform their work honestly or observe principles, have engaged in factionalism and favoritism, abused their position and power in seeking employment or other personal gains for their close relatives and friends, purchased or changed automobiles against the regulations, squandered public funds and indulged in eating, drinking, or sightseeing under all sorts of pretexts, accepted or given gifts, or vied with each other for trips to Hong Kong and foreign countries. Children and spouses of some leading cadres have engaged in business operations and resold goods for profit, in violation of discipline, to line their pockets. Although they are small in number, they have produced harmful influences. Some organizations have indiscriminately hiked prices and collected fees and expenses in violation of government regulations, while others have practiced the undesirable work style of shifting responsibility onto others and putting things off indefinitely. Some are so bureaucratic, irresponsible, and inefficient that people seldom can enter, see smiling faces, and get things done there. Some cadres have assumed a practical attitude toward the party Central Committee's principles and policies and the provincial party committee's decisions, and implement only those suiting their taste. They have even spread discontent and rumors. Some listen to, and spread, malicious rumors against comrades. A very small number of cadres have led a decadent lifestyle and even committed serious crimes, such as embezzlement, bribe-taking, blackmail, speculation, fraud, smuggling, and trading in smuggled goods. All these are detested by the masses of people.

The central authorities have pointed out that the ruling party's work style has a bearing on the survival or demise of the party and the success or failure of the cause of socialism. In building socialist material civilization, we must also pay close attention to building socialist spiritual civilization. We must especially improve our party style by taking firm action to stop unhealthy tendencies and striving to bring about the scheduled improvement. This is the most important and pressing political task confronting party organizations at all levels in the province, primarily, the party organizations of provincial-level organs. This is also a major guarantee for consolidating and developing the excellent situation, gradually deepening reform, fulfilling the Seventh 5-Year Plan, and winning new victories.

How can unhealthy tendencies be checked? After discussions, the provincial party committee holds that it is necessary to, first, diligently study the central leading comrades' important speeches in order to achieve unity of thought and enhance understanding in the light of reality in Jiangxi. Second, it is necessary to conduct examination and comparison in accordance with the party Central Committee's requirements and the provincial party committee's regulations, and take concrete action to effectively correct mistakes in the course of studying the speeches. Third, it is necessary to step up efforts to investigate and handle violations of law and discipline, in particular, major and grave cases. Fourth, it is necessary to check and enforce the system and discipline. Fifth, it is necessary to intensify the evaluation of cadres' improvement in work style.

The provincial-level organs shoulder a heavy responsibility in carrying out the modernization program and reinvigorating Jiangxi. As the central leading comrades said, the central organs play a pivotal role in the entire nation; so do the provincial-level organs in the whole province. They should be the staff departments, as well as the general commanding and logistics departments, for the provincial party committee and the provincial government. The operation of the provincial-level organs has a vital bearing on the growth or decline of all undertakings in the province. Party members and cadres of provincial-level organs, leading cadres in particular, must respond to the requirements, set by Comrade Yaobang, for raising the efficiency level, studying diligently, strictly observing discipline, and enhancing party spirit, in order to become real models for the people of the whole province.

A certain leading cadre abused powers in recruiting his daughter, son, son-in-law, wife, brother-in-law, and father-in-law as workers, and transferring them to his office in violation of the regulations. Some were sent to other places to pursue so-called advanced study before assuming their posts. He even had the audacity to order public security and other departments to set up an investigation team on a trivial family affair and to harass cadres and ordinary people. He went so far as to dismiss leading cadres of the Public Security Bureau and other departments concerned under the pretext that their investigation was inefficient. This person was also involved in dubious business dealings. His behavior aroused the indignation of the masses of people. Some cadres wrote a joint letter reporting the case to the provincial party committee and the party Central Committee. The case is now under investigation. Cadres who upheld principles and were dismissed by him have been rehabilitated.

A major case of reselling tungsten and gold for profit has been uncovered in Nankang County. The total amount of embezzlement, distribution of illegal profits, taking and giving bribes, and tax evasion reached 360,000 yuan. Forty-six people from 12 units were involved. The investigation has been stepped up. We must ensure that laws are observed, law enforcement is strict, and law breakers are punished. It is necessary to improve legislative work and popularize legal knowledge. Law enforcement cadres should set an especially good example in observing law. Severe punishment must be meted out to people who know and yet violate the law.

All comrades must promote unity in word and with concrete action. Without unity, there is no fighting force, and it will be impossible to realize the splendid plan. In addition to good timing and other favorable factors, we also need harmony among the people. This is a strong desire of the people of the province, who are already tired of factionalism and suffering. Whoever engages in factionalism will forfeit the support of the people. Provincial-level organs failing to achieve unity, especially those leading bodies at odds, should rectify this shortcoming within a set time limit.

Here, I wish to point out that the provincial-level organs should not only achieve unity within the organ itself, but also help lower levels achieve it. Mass disputes and fights with weapons between clans have been frequently reported in Jiangxi's rural areas. A total of 7,000 cases have been reported over the past few years. They were usually caused by feudal, patriarchal forces. They have done a great deal of harm. Departments concerned at various levels must adopt effective measures, assume responsibility at all levels, and pay close attention to firmly stopping such fights. Culprits who have started armed fights between clans should be duly handled. Party members, CYL members, cadres, and militiamen should never take part in armed fights, and they should work for unity and harmony.

Comrades: The eighth provincial party congress discussed and formulated a provincial economic and social development plan up to the year 2000. The second enlarged session of the eighth provincial party committee discussed and approved a preliminary plan for Jiangxi's Seventh 5-Year Plan, which will be submitted to the fourth session of the sixth provincial People's Congress, to be convened in the second quarter of this year, for examination, approval, promulgation, and implementation. This year is the first of the Seventh 5-Year Plan. We should strive to carry out Comrade Yaobang's general guiding principles and instructions on achieving an economic growth rate slightly higher than the national average, and increase the province's industrial and agricultural output value by 10.6 percent, gross product of society by 11 percent, and local financial revenues by (?400 million) yuan over 1985.

As far as the reform is concerned, it is necessary to consolidate, digest, replenish, and perfect the reform measures already in force, in order to solve outstanding problems, retain merits and eliminate defects, and achieve greater reform results. Politically, it is necessary to resolutely safeguard and develop the situation of stability and unity, which has not come easily. This is a common task of party organizations at all levels and large numbers of cadres and people throughout the province; but, primarily, it is a task for the provincial-level organs. Comrades of the provincial-level organs have made active efforts to accomplish previous work assignments. It is hoped that you will do a better job in the next 5 years than in the previous 5 years, and that greater achievements can be scored this year than last.

Comrades: All party member-cadres of the provincial-level organs, first of all party member-cadres at the section or regimental level or higher, should take positive action to respond to the party Central Committee's call, and firmly and steadfastly perform the work in accordance with the central authorities' line, principles, and policies. They should display the spirit of that foolish old man who moved mountains, the spirit of dedication, carry forward the fine tradition of the old revolutionary bases in Jiangxi, and set good examples in noble ideas and sound work style for the people of the whole province. They should lead the people of the province in the struggle, united, firm and with perseverance to win new victories in 1986, prefulfill the goal of doubling the province's industrial and agricultural output value in 2 years, and accomplish the Seventh 5-Year Plan in all fields.

GUANGXI DISPATCHES CADRES TO GRASS-ROOTS UNITS

HK300423 Nanning Guangxi Regional Service in Mandarin 1100 GMT 27 Jan 86

[Excerpts] Under the arrangements made by the regional CPC Committee and people's government, since last September 1985, the region has selected some 36,800 cadres to form work teams and dispatched them to help with the work in grass-roots units. Over the past 4 months, under the leadership of CPC committees at all levels, the work teams have mainly strengthened political and ideological work in grass-roots units, perfected grass-roots organs at all levels, and promoted all work, achieving gratifying results.

In accordance with the decision made by the regional CPC Committee on problems concerning strengthening the building of rural grass-roots organs and organizations, the work teams have helped party and government leaders solve several problems.

1. They have further perfected grass-roots organization.

2. They have solved the problem concerning the remuneration of village cadres, thus unleashing the initiative of grass-roots cadres.

3. They have widely given short-term training to grass-roots cadres so as to deepen their ideological understanding.

4. They have established and perfected the cadre post responsibility system.

As a result, changes for the good have taken place in grass-roots organizations. The percentage of grass-roots organizations which have done well or relatively well in their work, has increased from 20 percent to about 40 percent, whereas the percentage of grass-roots organizations which have not done so well in their work has decreased from 25 percent to 15 percent.

While strengthening the building of grass-roots organizations, the work teams have helped grass-roots units solve some prominent problems. According to statistics, the work teams in all localities have helped local authorities investigate deal with some 34,000 cases, including wanton felling of mountain forests, burglary, illegally seizing state property, gambling, and feudal and superstitious activities. Criminals have been arrested or investigated according to law.

HENAN SECRETARY SPEAKS AT PRO AGANDA WORK FORUM

HK290650 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 27 Jan 86

[Excerpts] At the provincial forum on propaganda work, Yang Xizong, secretary of the provincial CPC Committee, pointed out: To study and probe the rules of propaganda and idological work, to heighten understanding about the aim of propaganda work, to make the work conform to the new situation, and to further improve the results of propaganda work are important tasks before us at present.

On the afternoon of 26 January, the 6-day provincial forum on propaganda work concluded in Zhengzhou. Hou Zhiying, member of the provincial CPC Committee Standing Committee and director of the Propaganda Department, presided over the forum and made a summation speech.

The forum held: Following the 3rd Plenary Session of the 11th CPC Central Committee, the province's situation on the ideological front has seen one of the best and most significant periods since the founding of the state. The same holds for the situation of the province's economics and politics. In addition, the work on the ideological front has been making healthy and remarkable progress. This is the main situation on the province's ideological front.

Under the prerequisite of fully affirming the main situation, we must be sober-minded and realize that there are still many problems concerning the front. The prominent one is that to a certain extent the principle of commodity exchange has intruded into the party's political life. The decaying capitalist thinking of valuing everything in terms of money has spread in ideological and cultural circles. Activities of feudalism and superstition have been revived in some localities. Moreover, many localities and units neglect the building of socialist spiritual civilization and slacken their ideological and political work.

The forum held: The main task of this year's work on the ideological and cultural fronts is to popularize in an in-depth way and comprehensively act in the spirit of the National Conference of Party Delegates. From the high plane of theory, we must further seek a common understanding about the party's Marxist line, principles, and policies. We should unswervingly take the road of socialism with Chinese characteristics. Proceeding from this main theme, we should closely integrate the province's economic construction, various reforms, and party rectification work. We should conduct investigations on a large scale and carry forward the spirit of the foolish old man who moved the mountains. We should further implement the building of spiritual civilization and ideological and political work, and continue to do well in conducting education on ideals, morality, education and discipline, the present situation, policies, and the four basic principles. We should also strive to fundamentally change the party work style and general mood of society for the better, so as to make new contributions for promoting the province's building of the two civilizations.

The focal points of this year's propaganda work are to continue to grasp well the propaganda on economic reform; the improved party work style and general mood of society; education about the present situation, policies, ideals, morality, education and discipline, and taking social benefits as the sole criterion for judging products for the mind; and the study of theory and cadres' education about Marxist theory.

In the course of forum, Yang Xizong, secretary of the provincial CPC Committee, listened to the discussion and reports of participating comrades. Comrade Yang Xizong affirmed the achievements made by the propaganda front and praised the work of propaganda cadres. He also proposed requirements and his expectations for further doing well in propaganda work.

Comrade Yang Xizong hoped that the province's propaganda front would develop some specialists, scholars, and outstanding workers.

Comrade Yang Xizong said: We must seriously study the issue of making the building of spiritual civilization and ideological and political work conform to the requirements of the new situation. We must constantly conduct in-depth investigations and probe the new ideological and social problems and how they are viewed by the people in the course of reforms and building. I think it is very important for us to promptly grasp the developing trends. Then we should find ways to solve problems.

BEIJING SECRETARY DISCUSSES SITUATION IN 1985

SK300053 Beijing BEIJING RIBAO in Chinese 17 Jan 86 p 1

[Excerpts] On 16 January, the municipal CPC Committee held a forum with the participation of responsible persons of the democratic parties and noted nonparty personages to report on the 1985 economic work, party rectification and correcting unhealthy trends, and to earnestly listen to their opinions on improving the municipality's work. Attending the forum were responsible persons of the municipal CPC Committee, the municipal People's Congress, the municipal government, and the municipal CPPCC Committee, including Li Ximing, Chen Xitong, Jin Jian, Han Boping, Zhang Mingyi, Zhao Pengfei, and Gao Ge. Attending the forum were responsible persons of the democratic parties and noted nonparty personages, including Hou Jingru, Pu Jiexiu, Sun Fuling, Cheng Mingshao, Ding Gongnan, Shen Yifang, Mao Zhifen, Zheng Zhengren, Chen Bingji, and Xia Xiang.

Vice Mayor Han Boping first reported on the municipality's situation in the development of the economic undertakings spurred by reform. He said: The total industrial and agricultural output value and the volume of retail sales of commodities increased by a big margin last year. The revenue hit an all-time high in 1985. Improvements had been made in the supplies of such foodstuffs as meat, eggs, poultry, milk, and vegetables. Despite the price hikes of some commodities, the people's livelihood has notably been improved thanks to the big increases in the real wages of the broad masses of the staff members and workers. He said that last year, the municipal government had made some mistakes. For instance, the prices of vegetables were unreasonably rising for a time when we, without much experience and much consideration, and without full preparations, began to relax control over vegetable prices. The people were not satisfied with the situation.

After that, Jin Jian, deputy secretary of the municipal CPC Committee, reported on the municipality's situation in party rectification and the situation in straightening out party style, and the 1986 work arrangements. He said: Since last year when we began to carry out the second-stage party rectification, the municipal CPC Committee has done much work with regard to enhancing party spirit and correcting unhealthy practices with the focus on reform so that the municipality could score more notable achievements in the second-stage party rectification than the first-stage party rectification. At present, the masses have vigorously denounced the unhealthy practice of leading cadres taking advantage of their power to seek private gains, the cases of leading cadres taking advantage of their professional privileges to indulge themselves in bad practices, the unhealthy trend of seeking private gains on the occasion of reform, and the unhealthy practices in the political field. Through the investigations made by the leaders of the municipal CPC Committee, we understand that the main reason for these unhealthy practices was that we had neither sufficient understanding of nor effective measures for firmly preventing them. Recently the central authorities decided to focus on improving the party style in the central organs and the organs of Beijing Municipality, and simultaneously asked Beijing Municipality to realize a fundamental turn for the better in party style and social order within 6 months to 1 year. This was a great policy decision of the central authorities. In order to realize this requirement this year, we must attend to the following few tasks. We should conscientiously study the speeches of central leading comrades. Leading organs and leading cadres should set an example in consciously correcting the unhealthy practices, ceaselessly checking and handling major and appalling cases, consolidating discipline, perfecting systems, and closing loopholes. The whole party should be mobilized to ensure victory in the general battle of straightening out party style.

Comrades Li Ximing and Chen Xitong made speeches on the issues set forth in the reports and speeches delivered by the participants at the forum. They also exchanged views and opinions with the participants and thanked them for their criticism and suggestions on the work of Beijing Municipality.

BEIJING SECRETARY ON DEVELOPING SPORTS WORK

SK290543 Beijing BEIJING RIBAO in Chinese 19 Jan 86 p 1

[Excerpts] The municipal sports work conference ended on 18 January after a 4-day session.

Respectively delivering speeches at the conference were leading comrades of the municipal CPC Committee and the municipal government, including Li Ximing, Chen Xitong, Xu Weicheng, Bai Jiefu, Feng Mingwei, and Chen Haosu. Xia Xiang, vice chairman of the municipal CPPCC Committee, also made a speech at the conference. Li Ximing, secretary of the municipal CPC Committee, pointed out in his speech: The central authorities have put forward that the capital should lead the whole country in doing the work in all fields. Therefore, the capital should take the lead with regard to sports development. We must strive to achieve the work in this regard. He said: The CPC committees and the governments at all levels should strengthen leadership over sports work, combine sports work with the general goal of building a powerful socialist country, enhance the guidance in and the organization of sports work, and strive to create more outstanding achievements with the existing favorable conditions.

In his speech, Xu Weicheng, deputy secretary of the municipal CPC Committee, expounded the issues concerning the position and functions of sports work in the two civilizations, sports reform, and the development of sports in the suburban counties.

HEBEI GRASPS MALPRACTICES IN PARTY RECTIFICATION

SK290751 Shijazhaung Hebei Provincial Service in Mandarin 2300 GMT 13 Jan 86

[Excerpt] In carrying out township-level party rectification, our province has paid attention to education on the current situation and policies, grasped rectification and correction, and scored an initial success.

Our province's township-level party rectification began in early November 1985. Since then, the townships and towns in all localities, in view of the fact that some party members have failed to fully understand and effectively implement the party's existing policies, and that some have even suspected and gone against the policies in words and deeds, have conducted education on the current situation among the broad masses of party members by resorting to such methods as viewing the situation, comparing the present situation with the past, eliminating the misgivings of the people by citing the current situation, analyzing exemplary cases, and using one's own examples to explain a case. Through viewing the current situation and comparing the present situation with the past, the party members have clearly understood that since the 3d Plenary Session of the 11th CPC Central Committee, the lives of the peasants have been improved, that the fundamental reason for such a success is the party's good policies, and that without the good policies of the party, they would not have the good situation as it exists today in the country. This has enabled them to enhance their awareness in implementing the party's principles and policies.

While prominently grasping education on the current situation, the various localities have paid attention to solving the problems which the people have complained about, and have corrected them in the course of party rectification. Judging from the current situation, there are four problems which the rural people have strongly complained about and which have seriously affected the relationship between the party and the masses:

1) Embezzling public funds and misappropriating public property; 2) delaying payment of public funds for a long time; 3) lavish wining and dining; and 4) engaging in gambling, theft, feudal and superstitious practices, fighting, and forcibly occupying residental houses and land. If we fail to solve these problems, the masses will not be satisfied and these problems will also affect the party's prestige among the masses.

TIANJIN'S NI ZHIFU ATTENDS RURAL WORK MEETING

SK290511 Tianjin City Service in Mandarin 0030 GMT 29 Jan 86

[Text] The 1986 municipal rural work conference held a plenary session at the Tianjin Guesthouse on 28 January. Attending the session were leading comrades of the municipal CPC Committee and the municipal government, including Ni Zhifu, Li Ruihuan, Wu Zhen, Tan Shaowen, and Nie Bichu.

The major tasks of the session are to relay, study, and implement the guidelines of the national rural work conference, to sum up and exchange the experiences in the rural reform gained last year, to work out a plan for this year's rural work, and to further consolidate and develop the excellent rural situation.

Liu Jinfeng, vice mayor of Tianjin Municipality, first relayed the guidelines of the national rural work conference at yesterday's session. On behalf of the municipal CPC Committee and the municipal government, Wu Zhen, deputy secretary of the municipal CPC Committee, delivered a report entitled "Persistently Carry Out Reform, Bravely Do Pioneering Work, and Strive to Comprehensively Vitalize the Rural Economy."

Comrade Wu Zhen said: The municipality has made great achievements in rural reform thanks to the implementation of the line, principles, and policies for the rural work stipulated by the central authorities since the 3d Plenary Session of the 11th CPC Central Committee. A new situation has emerged over the past few years in which the rural commodity economy was rapidly developed, the peasants' income increased by a big margin, and the municipality has made greater contributions to the state.

He set out 10 notable changes which had taken place through the rural reform.

Comrade Wu Zhen said: The guiding ideology for the 1986 rural work is to unswervingly implement the strategic principle that agriculture is the foundation of the national economy, to adhere to the orientation of ensuring that the rural areas become prosperous and serve the urban areas, to continue carrying out reform, to implement and perfect various policies, to readjust the agricultural, industrial, and trade production setups, to strive to clear circulation channels, and to make efforts to promote a sustained, steady, and coordinated development of the rural economy.

Regarding the tasks and measures for developing the rural commodity economy, Comrade Wu Zhen said: In 1986, the municipality should concentrate the rural work on further upgrading the quality of nonstaple foods, firmly grasping grain production, steadily developing the township- and town-run enterprises, accelerating the construction of the export bases, and rationalizing the rural production setup.

Comrade Wu Zhen finally stressed that the key to consolidating and developing the excellent situation in rural reform and to promoting the vitality of the rural commodity economy is that the CPC committees and the governments at all levels should conscientiously strengthen leadership over the rural work.

Attending yesterday's session were Yan Dakai, member of the Central Advisory Commission; Zhang Huaisan, chairman of the municipal Advisory Commission; and leading comrades of the municipal CPC Committee, the municipal People's Congress, and the municipal government.

WEN WEI PO REPORTS DENG VISITING SICHUAN

HK020154 Hong Kong WEN WEI PO in Chinese 2 Feb 86 p 2

[Special dispatch from contributing correspondent Yang Yung-nian: "Deng Xiaoping Returns to Hometown on Eve of Spring Festival"]

[Text] Accompanied by Wang Zhen and others, Chinese leader Deng Xiaoping returned to his hometown in Sichuan on the eve of the Spring Festival. Deng Xiaoping drove to Dazu Baoding Shan to visit the world-famous Dazu stone carvings. He was healthy and walked at a brisk pace. While viewing the carvings, he frequently called with a smile to the comrades accompanying him: "Move faster, move faster."

Sichuan's Dazu stone carvings, gems of China's cultural heritage, were created in the late Tang Dynasty and were popular during the Song Dynasty. During his visit, Deng Xiaoping gasped with admiration every now and then. Deng Xiaoping was also accompanied by Yang Rudai, secretary of the Sichuan Provincial CPC Committee; Liao Bokang, secretary of the Chongqing City CPC Committee; and Xiao Yang, mayor of Chongqing City. Liao Bokang gave Deng Xiaoping an account of Chongqing's construction work. They talked casually about domestic trivia in a happy and relaxed manner. The trees of Baoding Shan were luxuriantly green and the flowers were in full bloom in the rain. Deng Xiaoping pointed at the peace blossoms and said cheerfully: "Spring has arrived early in Sichuan." Deng Xiaoping's arrival among the masses on the eve of the traditional festival touched and inspired the people.

PLA TO CONDUCT 'REVIEW' OF PARTY RECTIFICATION

HK311155 Hong Kong MING PAO in Chinese 30 Jan 86 p 5

["Special Dispatch From Beijing": "Units at and Above Divisional Level About To Launch 'Review' of Party Rectification in PLA, With Focus on Investigating and Dealing With Malpractices"]

[Text] The PLA units at and above the divisional level where party rectification has been concluded will launch "a review" of party rectification in the Army this year. While conducting the "reviewing" work, all units are encouraged to define their priorities in solving problems in the light of their own actual conditions. These remarks were made by Yang Shangkun, vice chairman of the Central Military Commission, when he spoke at a forum held recently on the work of party rectification in the Army.

The forum which was held from 15 to 21 January concentrated on studying how to implement the Military Commission's Document No 1 of 1986 and how to make a success of the party rectification in units below the regimental level.

In a speech delivered on 20 January, Yang Shangkun pointed out: Rectification of party work style is indispensable to the carrying out of party rectification in Army units, as it constitutes an important content of party rectification. Over the last few years, although achievements have been made in curbing unhealthy practices, the work as a whole has not been carried out effectively. Some major and important cases have not been promptly handled. While conducting party rectification, some units went in for unhealthy practices and even repeated their errors in this regard which had been corrected.

The Military Commission vice chairman said: It is really necessary for the units at and above the divisional level where party rectification has been concluded to launch "a review" of party rectification. During the "reviewing" work, all units are encouraged to define their priorities in solving problems in the light of their own actual conditions.

In discussing the party rectification in units below the regimental level Yang Shangkun said: In the party rectification in units below the regimental level which is to begin this year, the curbing of unhealthy practices should not be neglected. Leading cadres and organizations, by their own actions, should take the lead and set an example for their subordinates to follow. Those party members who are engaged in malpractices should be sternly dealt with according to the party disciplinary codes which they have violated and those whose cases are grave should be expelled from the party. Those who violated state laws should be brought to justice and sternly dealt with by following legal procedures.

Yang Shangkun said: Document No 1 of 1986 of the Central Military Commission clearly states: Party rectification in units below the regimental level should be carried out earnestly and party rectification should be prevented from proceeding perfunctorily. To make a success of party rectification in these units, first, it is necessary to stress overcoming negative things and correcting unhealthy practices and, second, it is also necessary to energetically carry out the work of party building in the party committees in CYL organizations and grass-roots party branches and to bring into play the role of the party branch as a fighting force and the exemplary vanguard role of party members. Party committees at various levels should conscientiously assume responsibility. The three general departments and the military regions should take the lead in sending officers to grass-roots units. Officers sent to grass-roots units should not only serve as liaison men but also stay at selected grass-roots units to learn the situation there, to study their problems, and to conduct ideological work so that they can help the latter in specific fields to carry out party rectification successfully.

Among those who attended the forum were leading cadres of the offices for party rectification of various large units and representatives of the 14 units where party rectification was being tried experimentally.

AIR FORCE LAUNCHES DRIVE TO CORRECT MALPRACTICES

HK020409 Hong Kong MING PAO in Chinese 2 Feb 86 p 5

["Special Dispatch From Beijing": "Air Force Launches Drive To Correct Malpractices"]

[Text] China's Air Force CPC Committee made a decision recently calling on its Standing Committee, leading organs, and individuals to adopt prompt measures to straighten out the party work style and set an example for the entire Air Force.

1. Conscientiously study the documents of the CPC Central Committee. The Standing Committee of the Air Force CPC Committee should take the lead in the study drive and enhance their consciousness in correcting party work style. According to the tentative plan, the Standing Committee members of the Air Force CPC Committee should use three half-days to study documents during the first quarter of the year. There should be special arrangements for study by the party committees branches and groups of the departments under the leading organs. It is necessary to integrate study with realities in each unit concerned to lay an ideological foundation for party rectification of the Air Force and its leading organs.

2. Do a good job of self-comparison and examination. The Standing Committee of the Air Force CPC Committee should take the lead in examining the unhealthy tendencies that have emerged since 1984 and stress examining problems concerning new leading bodies. Meanwhile, the party committees of the departments under the leading organs should also proceed from practice, seek truth from facts, develop democracy, and be serious in examining problems. The unhealthy tendencies related to the cadres of the leading organs should also be examined.

3. Work out measures for straightening out party work style. In addition to the regulations in force, the CPC Central Committee will formulate some specific rules and regulations which must be strictly implemented. In accordance with the actual circumstances of the Air Force, measures should also be taken to straighten out party style and enhance party spirit.

4. Strengthen leadership over correcting party work style. The Air Force CPC Committee should view correcting unhealthy tendencies of the leading organs as an important matter. Under the leadership of the Air Force CPC Committee, an office for straightening out party work style should be set up with the participation of the departments under the leading organs. This office should have a good grasp of policies. It should take the mass line, but not conduct mass movements. It should carry out criticism and self-criticism, but not practice ultra-leftism. It should neither engage in retaliation nor frame the innocent. It should make a thorough investigation of problems, but not force everyone to make a self-criticism to pass the examination. Those who have committed common mistakes should make a serious self-criticism and resolutely correct their mistakes. Thorough investigations should be conducted in major cases and for people who have committed serious mistakes. In the course of the investigations, facts must be verified and individuals involved must be dealt with sternly according to policies.

5. Properly investigate and handle the major problems. The departments concerned under the leading organs should be responsible for investigating and handling major problems. Other problems involving unhealthy tendencies should also be examined in earnest. Initial results should be achieved by the Spring Festival and remarkable success scored before the second quarter of the year.

6. Correcting party work style should be integrated with Army building. The study and examination concerning correcting party work style should be conducted in earnest and integrated with Army building. Meanwhile, work for 1986 should be arranged and implemented conscientiously in line with the Fifth Plenary Session of the Sixth Air Force CPC Committee so that correcting party work style will promote our work and the success in our work will in turn straighten out party work style.

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China

Vol I No 023 4 February 1986

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CHINA DAILY ON INTERNATIONAL YEAR OF PEACE

HK010514 Beijing CHINA DAILY in English 1 Feb 86 p 4

[Commentator's article: "Year of Peace"]

[Text] International Year of Peace activities got under way at conferences in Geneva, Warsaw and Athens in the last two weeks. Initiated by Costa Rica in 1981, the idea won worldwide support and culminated in the proclamation of the International Year of Peace [IYP] by the United Nations last autumn. This indicated that the people the world over are greatly concerned over the international situation and strongly desire to preserve peace.

China ardently loves peace. In the more than 100 years before liberation, this nation suffered untold misery as a result of aggressive wars by the imperialist powers. Though in the almost 40 years since liberation, tremendous progress has been made in all fields, the country still lags behind advanced countries in terms of economic development. It sorely needs a long peaceful world environment in order to devote its efforts and resources to building a prosperous and healthy civilized socialist country.

Thus, China welcomes every move that promotes peace and brings on the prevention of war. China was one of those who made the IYP proposal at the UN in 1984 and will play an active role in all IYP activities this year sponsored by the UN on behalf of peace. And China has shown its support for peace and disarmament by reducing its armed forces by one million and converting a large proportion of military industry to civil production.

At present, the main source of world disturbance and instability, however, is superpower rivalry. The escalation of the arms race, especially nuclear arms, between the two superpowers constitutes the most serious threat to peace. However, it is gratifying to note that while the danger of world war hangs ominously over humanity, the forces striving to preserve peace are also growing. Under these circumstances, both superpowers have made many statements and proposals on disarmament in recent years, especially last year. If they intend to back up their words with deeds, they should do something concrete in this Year of Peace.

Third World countries have mainly shared China's fate in the past. Like China, they are also taking on the arduous task of economic development. A peaceful world environment is indispensable to them, too. That is why they champion world peace. However, not only is peace a prerequisite for economic development; it also depends on the economic development and common prosperity of many nations for its preservation. No peace and stability can be securely built on the basis of continuing poverty and privation in the developing countries. On this account, the North-South dialogue should be conducted more actively and South-South co-operation further strengthened. The old irrational world economic order needs to be reformed to expedite common prosperity for all nations. China is consistently for better and closer economic and trade ties with all countries which mutually benefit both sides.

The International Year of Peace activities will surely further awaken the world's people to the vital role they can play in defending peace and averting war. Their ranks will swell to an even mightier force. And undoubtedly their great cause will prevail.

THREATS AGAINST LIBYA CONDEMNED AT ATHENS MEETING

OW311758 Beijing XINHUA in English 1650 GMT 31 Jan 86

[Text] Athens, January 31 (XINHUA) -- Delegates to a peace conference here have condemned U.S. threats against Libya and called on it to pull its Sixth Fleet out of Libya's coastal waters. In an opening speech to the "Mediterranean and World Peace Conference" yesterday, Romesh Chandra, president of the World Peace Council, said: "The fact that the U.S. forces may violate the sovereignty of Libya is a threat to the sovereignty of all of us. We call on the United States to leave the area."

Omar al-Hamdi, president of the Arab People's Congress, urged the 90 delegates from 38 countries attending the conference to work out a resolution condemning the United States for its present actions against Libya. While calling for a Mediterranean "free of American military presence," the Arab leader urged that peace efforts in the Mediterranean must not be limited to those in the political field, but should be reinforced with economic cooperation.

The three-day peace conference, held within the framework of the United Nations' International Year of Peace, was also addressed by Vyacheslav Ustinov, U.N. undersecretary for political and security affairs, who stressed the importance of peace in the Mediterranean. He cited at the same time peace initiatives in the Balkans as a "positive example" to follow in promoting a climate of security in the region. Ustinov will declare the official inauguration of the U.N. International Year of Peace next Monday at a ceremony to be at Delphi, site of the sanctuary to Apollo in ancient Greece.

U.S., USSR REPORTEDLY TO EXCHANGE PRISONERS

OW031849 Beijing XINHUA in English 1841 GMT 3 Feb 86

[Text] Washington, February 3 (XINHUA) -- The United States and the Soviet Union have reportedly reached an agreement on a prisoner exchange. THE NEW YORK TIMES quoted U.S. Government officials as saying that the agreement called for the release of Soviet dissident Anatoliy B. Shcharanskiy and three or four Western intelligence operatives held by the Soviet Union in exchange for the releases of an equal number of East bloc [word indistinct] a 37-year-old Jewish, was sentenced to 13 years in prison and labor camps for treason, espionage and "anti-Soviet agitation" in 1978. [sentence as received]

Reports said U.S. President Ronald Reagan raised the issue of Shcharanskiy and other dissidents with Soviet leader Mikhail Gorbachev at the Geneva summit last November. Since then Moscow has begun to allow the emigration to the West of a handful of Soviet citizens married to foreigners. THE NEW YORK TIMES said the report will be published Monday by the Federal German daily BILD, which cited information obtained from "Moscow Kremlin circles." The exchange, if carried out, was scheduled for February 11 on the Glienicke Bridge which divides West Berlin from the Democratic Republic of Germany. The bridge is the site of several previous exchanges.

UK, FRANCE CONSIDER NUCLEAR ARMS TALKS WITH USSR

OW310751 Beijing XINHUA in English 0648 GMT 31 Jan 86

[Text] London, January 30 (XINHUA) -- Britain and France will cooperate closely as they consider joining talks with the Soviet Union on reducing nuclear arms, a Foreign Office statement said today. The statement followed a working lunch and two hours of regular bilateral talks between Foreign Secretary Sir Geoffrey Howe and his French counterpart Roland Dumas here today.

"They discussed possible responses to the recent Soviet arms reduction proposals. Both foreign ministers stressed the need to cooperate closely in the discussions, the statement said.

Britain and France are Europe's two nuclear powers and both have said they would consider joining talks on reducing their independent nuclear arsenals. However, their joining in the arms talks would be dependent on an agreement between the Soviet Union and the United States on substantial reduction in the two superpowers' nuclear arsenals.

FRENCH MINISTER REJECTS PART OF SOVIET PROPOSAL

OW011920 Beijing XINHUA in English 1911 GMT 1 Feb 86

[Text] Moscow, February 1 (XINHUA) -- France has rejected part of the new Soviet disarmament proposal calling for a halt to modernization of British and French nuclear weapons, French Finance Minister Pierre Beregovoy told Soviet Foreign Minister Eduard Shevardnadze here Friday.

In their talks, Beregovoy conveyed to Shevardnadze President Francois Mitterrand's reply to the Soviet plan announced by Mikhail Gorbachev on January 15 proposing elimination of all nuclear weapons in the world in three stages by the year 2000. After the meeting, Beregovoy said the reply embodies Paris's well-known position on a global balance of forces. He said he had told the Soviet foreign minister that the French independent nuclear arsenal, which is a deterrent to any attacks on France, needs to be improved, thus rejecting part of the Gorbachev proposal for a non-modernization of British and French nuclear forces. The French minister also said that the Gorbachev plan is "in the right direction." The proposal is important and being studied by France, he said.

U.S. PLEDGES SUPPORT FOR ANGOLA'S SAVIMBI

OW311744 Beijing XINHUA in English 1446 GMT 31 Jan 86

[Text] Washington, January 30 (XINHUA) -- President Reagan pledged to be "very supportive" in Angolan opposition leader Jonas Savimbi's efforts to topple the Government of Angola. During a meeting today with Savimbi, leader of the Union for Total Independence of Angola (Unita), President Reagan said, "we want to be very helpful to what Dr. Savimbi and his people are trying to do, and what we're trying to arrive at is the best way to do that." Savimbi also met with U.S. Secretary of State George Shultz and Defense Secretary Caspar Weinberger Wednesday. Hoping that "there will be progress," Savimbi presented a list of military hardware to Weinberger, according to press reports here.

Savimbi arrived here Tuesday to seek military aid from the U.S. Government in his fight against the Angolan government. It was reported that the Reagan administration is seeking up to 15 million dollars in aid for Savimbi secretly rather than openly. But, the U.S. Government, which has no diplomatic relations with the southern African country, imposed pressure upon the Angolan Government in a bid to secure the withdrawal of 30,000 Cuban troops from Angola. Both the Angolan and U.S. Governments have had several rounds of negotiations on the Angolan issue but so far no agreement has been achieved. Now the United States has changes its negotiation policy towards the Angolan Government and announced its public support to the Angolan opposition forces despite strong opposition from the international community.

AIRCRAFT CARRIERS TO RETURN TO GULF OF SIDRA

OW031909 Beijing XINHUA in English 1901 GMT 3 Feb 86

[Text] Washington, February 3 (XINHUA) -- According to U.S. Administration officials, the United States is planning to return two aircraft carriers -- the USS Coral Sea and the USS Saratoga -- to the Gulf of Sidra off the Libyan coast, THE WASHINGTON POST reported today. The carriers will be ordered to leave liberty ports in the Mediterranean so they can arrive near the Gulf of Sidra next week, the officials said.

The carriers were in that area last week for one week of flight operations, which Washington called "a war of nerves against Libya" and "a strong message" that the United States will "test Libyan reaction." Tensions off the Libyan coast have increased since the two U.S. aircraft carriers entered the central Mediterranean earlier last month following allegations that Libya was involved in terrorist attacks at the Rome and Vienna airports on December 27. The United States since has declared several times that is would not rule out military action against Libya. The latest decision on returning the two carriers indicates that the United States will retaliate quickly if Libya should take action against U.S. ships or planes in the Gulf of Sidra, the officials said. The United States denies Libya's claim that the entire Gulf of Sidra falls within Libyan waters. Washington only recognizes Libyan territorial limits as extending 12 miles from shore.

STATE DEPARTMENT SAYS MBFR TALKS HOLD PROMISE

OW310722 Beijing XINHUA in English 0651 GMT 31 Jan 86

[Text] Washington, January 30 (XINHUA) -- The United States today pledged to continue to seek agreement on reductions in and limitations on conventional forces in central Europe. The U.S. State Department said in a statement that members of NATO and the Warsaw Pact resumed today in Vienna their discussions known as the Mutual and Balanced Force Reduction Talks (MBFR) which "hold more promise of progress than at any previous time in their 12-year history."

The statement said the NATO proposal accepts the general framework of the February 1985 model proposed by the Soviet Union and its allies for a time-limited first-stage agreement. It also sets aside the longstanding NATO requirement that the sides agree on the size of present troop levels before treaty signature, which the Soviets have long claimed to be the major barrier to agreement. "These important moves are consistent with the Geneva summit declaration of the importance the U.S. attaches to progress in the Vienna negotiations," the statement said. The statement said the United States is prepared to begin reducing 5,000 U.S. and 11,500 Soviet ground troops in the central European reductions area as soon as a first-phase agreement is reached. NATO has proposed a commitment by both alliances not to increase total troop levels in the MBFR reductions area for three years following the initial reductions.

"We hope this will be only the first step in reducing tensions between East and West in Europe, and the world's most heavily armed frontier," the statement said. However, the statement stressed that such reductions and limitations "should only take place on the basis of mutual trust resulting from an effective verification regime." It concluded that if the East can "match us in flexibility and goodwill, then the basis for an agreement is possible."

USSR REITERATES 'POLITICAL SOLUTION' FOR CAMBODIA

OW020424 Beijing XINHUA in English 0234 GMT 1 Feb 86

[Text] Moscow, January 31 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze reiterated here today that the Soviet Union has not changed its stand for a political solution to the Southeast Asian issue. While receiving the "ambassador" of the Hanoi-backed Heng Samrin regime to the Soviet Union, the Foreign Minister said that his country supports the "constructive proposal" put forward at a recent meeting of foreign ministers from Hanoi, Vientiane and Phnom Penh. At the meeting the participants repeated a call for talks with non-communist Southeast Asian countries to find a political solution to the Kampuchea issue.

Observers here noted that the Soviet Union has recently made repeated contacts with Vietnam and the Phnom Penh regime. On January 26, Soviet Deputy Foreign Minister Mikhail Rapitsa received the ambassadors of the three Indochinese countries. From January 23 to 29, the Soviet Union and Vietnam held "political consultations" in Moscow. During all these contacts, the situation in Southeast Asia was discussed.

PRAVDA BLAMES SPACE SHUTTLE TRAGEDY ON SDI

OW311710 Beijing XINHUA in English 1642 GMT 31 Jan 86

["PRAVDA Attributes U.S. Shuttle Crash to Star Wars" -- XINHUA headline]

[Text] Moscow, January 31 (XINHUA) -- People should learn from the tragedy of the U.S. space shuttle Challenger that "star wars are inadmissible," the Soviet Communist Party newspaper PRAVDA said today. The paper referred to some U.S. newspaper reports, which, it said, suggested that the Strategic Defense Initiative was the "main cause of the catastrophe." "Regrettably, it is not SDI but seven astronauts that have become the main victim in the disaster," PRAVDA wrote.

PRAVDA said that Challenger blew up because of a technical fault and the SDI program could also malfunction. The paper asked if "they ever think that the slightest malfunction in that technology may cause world catastrophe? And who can guarantee that there will be no such malfunction?" The paper also accused the U.S. space agency of recklessly speeding the shuttle launches to increase profits. The previous Challenger launches had faced problems and some of the defects were quite serious, but the U.S. space agency NASA hurried to launch shuttles to attract rich companies to the space program as soon as possible, the paper charged. "Is it sensible for the sake of profits to risk human lives?" the paper demanded.

The Soviet official news agency TASS reported the explosion of the shuttle Challenger on January 28 within 30 minutes of the accident. On the following day, Soviet leader Mikhail Gorbachev sent U.S. President Ronald Reagan a telegram expressing deep sorrow for the death of the seven crewmen. PRAVDA's criticism today indicates that the Soviet Union will continue its campaign against the U.S. star wars program.

S. KOREANS DEMANDING CONSTITUTIONAL REVISION

OW311048 Beijing XINHUA in English 1034 GMT 31 Jan 86

["Roundup: South Koreans Demand Constitutional Revision" -- XINHUA headline]

[Text] Pyongyang, January 31 (XINHUA) — The demand for a "revision of Constitution" and "direct election of president" has become the pivot of the anti-"government" movement in South Korea. Yi Min-u, president of the largest opposition New Korea Democratic Party (NKDP), has declared several times since the beginning of this year that the 10-million-signature campaign for a revision of the Constitution will be launched from February as scheduled. The authorities would not have enough prisons if they try to arrest all the supporters of the campaign, Yi warned.

In a "state policy speech" on January 16, South Korean "President" Chon Tu-hwan said that any revision of the Constitution should be postponed till after 1988. A representative of the ruling Democratic Justice Party (DJP) even threatened to stop the campaign according to law." All this has provoked strong protests among the opposition forces and college students. In an interview with foreign correspondents Wednesday, renowned South Korean democratic figure Kim Tae-chung rejected the postponement of the revision, saying: "So long as the autocracy exists in this land, there can be no human dignity, justice or political stability." At a rally, Mun Ik-hwan, a well-known church minister and chairman of the National Congress for Democracy and Reunification, denounced the authorities for obstructing the revision and distributed leaflets calling for the overthrow of the autocracy and the formulation of a democratic Constitution. Mun was arrested by police at his house on Wednesday evening.

Students, now still in their winter vacation, have held rallies and demonstrations for a constitutional revision. On January 22, over 500 students of the Seoul National University, at a campus gathering established a council for abolishing the existing Constitution, in response to a call made by several other Seoul universities. On January 28, some 300 students from the Yonsei University, Ehwa Women's University, Hongik College and the Methodist Theological College rallied and demonstrated on the campus of Yonsei and set up a regional council of the national signature campaign. The struggle for revision of the Constitution by opposition parties and students is expected to pose a serious problem for South Korean authorities this year.

KIM TAE-CHUNG UNDER HOUSE ARREST IN SEOUL

OW010910 Beijing XINHUA in English 0827 GMT 1 Feb 86

[Text] Pyongyang, February 1 (XINHUA) -- Renowned South Korean democratic figure Kim Tae-chung was placed under house arrest again by the Seoul authorities yesterday, according to reports reaching here. Some 100 armed policemen surrounded Kim's house to prevent him from attending protest activities staged in the offices of the opposition National Congress for Democracy and Reunification. Over 50 church ministers, scholars and writers are protesting against a 10-day detention of the Congress' Chairman Mun Ik-hwan.

Kim, one of the co-chairman of the Council for Promotion of Democracy, is an active supporter of a campaign for constitutional reform. It is hoped that over 10 million people will sign a petition in favour of such reform.

Kim has been placed under house arrest several times since he returned from the United States one year ago.

DPRK REJECTS S. KOREAN CROSS-TIES PROPOSAL

OW310852 Beijing XINHUA in English 0845 GMT 31 Jan 86

[Text] Pyongyang, January 31 (XINHUA) -- Korean party paper NODONG SINMUN today rejected as an attempt to "legalize 'two Koreas'" and "perpetuate the division of Korean nation" Seoul's recent proposal for a cross-establishment of diplomatic relations by the United States and Japan, and by China and the Soviet Union with the two parts of Korea respectively.

The paper made the charge in a commentary of the January 28 television speech by Yi Won-kyong, South Korean minister of foreign affairs, in which he said establishment of diplomatic relations by the Soviet Union and China with Seoul and by the United States and Japan with Pyongyang will be systematic measures to ensure peace in the Korean peninsula. The commentary noted that the tense situation in Korea has resulted from the U.S. occupation of the Southern part of Korea, to which nothing can be done by cross-diplomatic relations. The prerequisite for relaxing tensions and creating peace in the peninsula is to hold tripartite talks among the United States and the two parts of Korea, the commentary said.

ZHANG JINGFU MEETS JAPANESE CANON DELEGATION

OW311138 Beijing XINHUA in English 1128 GMT 31 Jan 86

[Text] Beijing, January 31 (XINHUA) -- Chinese State Councillor Zhang Jingfu met a delegation from the Canon Company of Japan led by its Deputy President Keizo Yamaji here this afternoon. After his arrival here on January 29 Yamaji visited an automatic control office facilities exhibition sponsored by the China Council for the Promotion of International Trade, and presided over the opening ceremony of the Beijing office of the Canon Company.

SHANGHAI BOND AGREEMENT SIGNED IN TOKYO

OW301736 Beijing XINHUA in English 1456 GMT 30 Jan 86

[Text] Tokyo, January 30 (XINHUA) -- The Shanghai Municipal Investment and Trust Corporation (SMITC) is to issue bonds totalling 25 billion yen (about 127.6 million U.S. dollars) in Japan under an agreement signed here today. The chairman of the SMITC board, Liu Jingji, and the vice president of the Nomura Securities Corporation, Koichi Mizuguchi, signed the agreement today together with officials from concerned securities corporations and banks. The ten-year bonds are issued at an annual interest rate of 6.6 percent.

According to SMITC sources, the capital raised will be used to develop industries in Shanghai, particularly those that turn out products for export. In his speech at the signing ceremony, Liu said this was the first time his corporation had issued bonds abroad, and it marked just a beginning. He promised that his corporation will try various ways in the future to raise and use foreign capital. Mizuguchi said that Shanghai, the biggest industrial city in China, has formally entered the world finance and capital market by issuing the bonds. He expressed the hope that it would capitalize on the finance and capital market in Japan.

CGDK URGES SOVIETS TO END AID TO VIETNAM

OW010850 Beijing XINHUA in English 0823 GMT 1 Feb 86

[Text] Beijing, February 1 (XINHUA) -- Radio Democratic Kampuchea said today in a commentary that the Soviet Union should end its military and economic aid to Vietnam if it sincerely wants to solve the Kampuchean problem. The commentary said the Kampuchean people would ask the Coalition Government of Democratic Kampuchea to restore relations with the Soviet Union when it suspends aid to Vietnam.

The commentary noted that the Soviet Union has claimed to be working actively on the Kampuchea problem with a view to facilitating the "regional talks" between the Association of Southeast Asian Nations (ASEAN) and the "Indochina" bloc. On January 27, a Soviet diplomat in Singapore further claimed that the Soviet Union was willing to act as a guarantor for any agreements reached by the two blocs. But the facts belie Soviet claims, the commentary said. In recent years the Soviet Union has doubled its military aid, including tanks, guns and other weapons and military supplies to Vietnam so as to support Vietnamese dry-season offensives against Patriotic Armed Forces of Democratic Kampuchea. Evidence shows that the Soviet Union has not yet changed its position on the Kampuchea problem, the commentary said.

ACTIONS OF CAMBODIAN RESISTANCE ANS DISCLOSED

OW312048 Beijing XINHUA in English 2007 GMT 31 Jan 86

[Text] Bangkok, January 31 (XINHUA) -- An underground armed unit of the Nationalist Sihanoukian Army (ANS) launched its first assault on the Vietnamese troops located in the suburb of Phnom Penh, thus encouraging the resistance forces of the Coalition Government of Democratic Kampuchea. This news was disclosed to XINHUA by Prince Norodom Rannarit, commander-in-chief of the ANS, here this evening.

The assault took place at 8:00 p.m. on December 6 last year at a stronghold of the Vietnamese Army near the Pepsi Cola factory, 4-5 km. from the center of Phnom Penh. The fighting lasted half an hour. As a result, 16 Vietnamese were killed and many others wounded. As for the ANS, only five were sacrificed and one was wounded. The ANS seized the enemy stronghold at 10:00 p.m. and withdrew by boat along the Tonle Sap River to the coastal village Mokkampoul. The prince said, "this important news is late because the communications between the interior and our headquarters are not convenient. But the military presence of our Army near Phnom Penh has actually shown the progress of the resistance forces."

Another successful attack at the headquarters of the 7709 Unit of the Vietnamese Army occured in the capital of Kompong Cham Province on January 6 this year. Thirty two Vietnamese troops were killed, and a lot of ammunitions and military supplies captured at the cost of four killed and one hurt on the ANS side, the commander-in-chief said. What merits mention was that, Rannarit said, the ANS and the Democratic Kampuchean National Army had set a good example for coordinated fighting against the enemy in the interior. There were two Vietnamese posts situated on the northern and southern shores of a river, 10 km. east of Battambang City. Well coordinated, the ANS unit attacked the northern post at 3:35 a.m. on January 20 and the National Army started its onslaught at the southern post simultaneously. The two Vietnamese posts were destroyed at the same time. The ANS killed 12 Vietnamese and seized one mortar, one rocket launcher and a lot of military equipment. "I am very glad to learn this good news. I expect more smooth and successful military cooperation with the National Army and the Khmer People's National Liberation Army," the commander-in-chief said.

SRV COUNCIL OF STATE RELIEVES OFFICIAL FROM POST

OW011232 Beijing XINHUA in English 1222 GMT 1 Feb 86

[Text] Hanoi, February 1 (XINHUA) -- Vietnamese Vice Chairman of the Council of Ministers Tran Phuong was relieved of his post, according to a communique released here today by the Council of State. The communique did not give the reason for Tran's dismissal or name who will replace him, but only said he was removed from his office at a meeting of the Council of State held on January 30.

Tran Phuong, who was also a member of the Central Committee of the Vietnamese Communist Party, assumed vice-chairmanship in April 1982. Before that he had been minister of home trade and often spoken to foreign correspondents in Hanoi explaining the government's economic policies. It was admitted at the Ninth Session of the Central Committee of the Vietnamese Communist Party held last December that "defects" arising from the implementation of the price, wage and currency reforms had produced an unhealthy impact on society and its economy. Some foreign diplomats here attributed Tran's dismissal to setbacks in the economic reform.

THAILAND PROTESTS RECENT SRV 'AGGRESSION'

OW010814 Beijing XINHUA in English 0750 GMT 1 Feb 86

[Text] Bangkok, February 1 (XINHUA) -- The government of Thailand yesterday lodged a protest at Vietnam's "recent acts of crimes and aggression" against Thailand, according to the BANGKOK POST here today. The note sent to the United Nations said, on January 23, the Vietnamese occupation troops in Kampuchea fired 100 artillery shells at Thai Marine bases located in three villages of Khlong Yai District of Trat Province in eastern Thailand, killing three Thai Marines and wounding several others. On January 24, three Thai soldiers were killed and another three were hurt when some 30 Vietnamese troops intruded 3.5 kilometres into Thailand and ambushed a Thai patrol unit in Nam Yun District of Ubon Ratchathani Province. The note also denounced Vietnam for its successive violation of Thai sovereignty.

AUSTRIAN MINISTER DISCUSSES CAMBODIA, ICK

OW312002 Beijing XINHUA in English 1925 GMT 31 Jan 86

[Text] Bangkok, January 31 (XINHUA) -- Austrian Foreign Minister Leopold Gratz said here today that the Kampuchean conflict should be solved in line with the U.N. resolutions calling for total withdrawal of foreign troops from Kampuchea.

Leopold Gratz, current chairman of the International Conference on Kampuchea (ICK), told reporters that the present situation in Kampuchea is a threat to peace. The task of the ICK, he said, is to encourage and help nations in this region and the political forces of the Kampuchean people to find a solution to the Kampuchean problem, "because this country (Kampuchea) needs a peaceful solution of the problem, a withdrawal of foreign troops." He praised the ASEAN countries for making a genuine offer for cooperation of all states in the region in order to find a practical solution to the Kampuchean issue.

The ICK held its first meeting in July 1981 and issued a declaration urging all foreign troops to withdraw from Kampuchea. Vietnam refused to take part in it and rejected the call. Gratz took over the post of chairman of the U.N.-sponsored International Conference on Kampuchea on January 1 this year.

During his four-day visit to Thailand, Gratz held talks with Thai leaders and visited Kampuchean refugee camps. He is scheduled to visit Hanoi early next month after his tour of Thailand and Indonesia.

THAI BORDER RESIDENTS KILLED BY LAO TROOPS

OW030750 Beijing XINHUA in English 0705 GMT 3 Feb 86

[Text] Bangkok, February 3 (XINHUA) -- Lao troops intruded into Thailand's northeastern province of Ubon Ratchanthani and fired several rockets on a village on February 1, killing five villagers and wounding five others, the local newspapers quoted the governor of that province as reporting today.

Governor Danai Khetsiri said yesterday that an unknown number of Lao troops crossed the Mekong River border to a village in Khemmaat District at about 10 p.m. and fired rockets at five houses. The raid lasted five minutes before the Lao intruders retreated without confronting Thai border troops. He said that he had ordered all districts along the border in his province to be ready to evacuate civilians if the situation worsens. The border incident came amid reports that Thailand is moving to improve relations with Laos by relaxing restrictions on goods sold to Laos which has a common border of 1,600 kilometers with Thailand.

THAI ARMY COMMANDER ON SRV-PRK TROOP CONFLICTS

OW011246 Beijing XINHUA in English 1237 GMT 1 Feb 86

[Text] Bangkok, February 1 (XINHUA) -- A high-ranking Thai military officer said here this morning that conflicts between the Vietnamese troops and the Heng Samrin regime in Kampuchea would weaken their current dry-season offensive at the Kampuchean-Thai border.

First Army Commander Lt. General Pichit Kunlawanit told the press that such conflicts were coupled with the worsening economic situation both in Kampuchea and Vietnam. It seemed that the occupation forces would not be able to play an active role in the battle field this year, Pichit said. Although the Vietnamese had recently moved more tanks closer to the border, "they would find it hard to launch a major offensive against the resistance forces," he added. However, Pichit said, the Thai border troops would maintain vigilance against possible massive Vietnamese incursion into Thai territory.

THAI SOLDIERS KILLED BY SRV-PLANTED MINES

OW020726 Beijing XINHUA in English 0645 GMT 2 Feb 86

[Text] Bangkok, February 2 (XINHUA) -- Four Thai soldiers were killed and ten others seriously wounded in the past two days by Soviet-made booby traps (wooden mines) planted by Vietnamese troops near the Kampuchean border, the local newspaper BANGKOK POST reported today, quoting Thai military sources. One Thai soldier was killed and three others were seriously wounded while on patrol on January 31 in Nam Yun District on Ubon Ratchanthani Province in northeastern Thailand close to Siem Reap Province of Kampuchea, the sources said. Three more soldiers were killed and a number of others wounded at almost the same place yesterday, they added.

It was reported that the Soviet Union had delivered 100,000 booby traps to the Vietnamese stationed in Kampuchea and thousands of them were planted along the Thai-Kampuchean border. The newspaper quoted an informed military source as saying yesterday that Thai military intelligence had monitored a message from frontline Vietnamese commanders requesting more booby traps to be placed along the border.

AQUINO OUTLINES PHILIPPINE FOREIGN POLICY PLANS

OW031559 Beijing XINHUA in English 1445 GMT 3 Feb 86

[Text] Manila, February 3 (XINHUA) -- Opposition presidential aspirant Corazon Aquino said here today that the Philippines will maintain peaceful, fair, and friendly relations with all countries regardless of ideology, if she wins the election on February 7. She made the statement in her fourth major policy speech delivered before the joint Philippine and foreign Chambers of Commerce.

This is the first time Corazon, widow of assassinated opposition leader Benigno Aquino, talked about her foreign policies since she decided to challenge President Ferdinand Marcos in the forthcoming presidential election. She has been busy gathering supports from different parts of the country. Mrs. Aquino said she will make a special effort to revitalize relations with other member states in the Association of Southeast Asian Nations (ASEAN), which, she declared, has become "almost moribund" as a result of the controversy between the Philippines ane Malaysia over the sovereignty of Sabah, formerly known as North Borneo. "We shall try to promote more balanced and equitable relations with the United States, Japan, the countries of Western Europe and the Pacific Basin, and all other countries with which we share a common loyalty to the principles of democracy," she said.

Concerning the U.S. military bases in Clark and Subic, the 53-year-old presidential candidate reiterated that "we do not propose to renounce the existing military bases agreement or the treaty of mutual defense with the United States. At the same time, however, I must state with candor that no sovereign nation should consent that a portion of its territory be a perpetual possession of a foreign power." Before the bases agreement expires in 1991, she said, a process of consultation will be undertaken with the United States and neighboring states, but, above all, with the Filipinos, to make sure that any arrangement reached will serve the best interest of "the entire free world," and especially of the Filipinos.

Mrs. Aquino had made separate speeches on her economic, social and political policies since January. She pledged to improve the country's economic situation mainly through the dismantling of monopolies in coconut and sugar and a rapid government withdrawal from private business. She also said that she would work for efficient utilization and equitable sharing of the ownership and benefits of land and would try to solve the insurgency problem by means of dialog. Mrs. Aquino said the her political program is simply aimed at dismantling the Marcos regime and building a "genuine democracy."

PAPANDREOU INTERVIEWED ON SINO-GREEK COOPERATION

HK310638 Beijing RENMIN RIBAO in Chinese 23 Jan 86 p 6

[Special dispatch by Zhang Qihua: "While Interviewed by a RENMIN RIBAO Reporters' Group, Greek Prime Minister Papandreou Says That the Prospects for Greek-Chinese Friendshp and Cooperation Are Broad"]

[Text] Athens, 21 Jan -- Greek Prime Minister Papandreou granted an interview this afternoon at his residence to a reporters' group led by Luo Erzhuang, director of the International Section of RENMIN RIBAO, and had a friendly conversation with members of the group. While talking about the relations between the two countries, Papandreou pointed out that although Greece and China pursue different social systems in addition to their great geographical and demographic differences and the size of their territories, they have devised methods for mutual contacts and maintained equal and friendly relations.

He added: there is no shadow cast over Greece and China and their relations are good. Both countries are descended from ancient civilizations, and our mutual understanding is established on the basis of such civilization. The prospects for friendship and cooperation between the two countries are broad. We should continue to explore these prospects so that we can further expand our friendly and cooperative relations in the economic, trade, and cultural fields, among others. He hopes that cooperative relations between the two countries will become an example to be followed by others.

During the interview, Prime Minister Papandreou also enthusiastically praised the wisdom of the Chinese leaders and the socialist economic reform now in progress in China. He spoke highly of the efforts of the Chinese Government to raise the living standard of the Chinese people.

Papandreou briefed the reporters' group on the foreign policy and standpoint of Greece. He stated that it is necessary for Greece to pursue a multidirectional foreign policy. What the Greek Government and peole seek is a world free from nuclear threat, a world which has cast off the control of the two blocs, and which can solve the problem of confrontation through the abolition of regional conflicts.

While talking about relations between Greece and the West, he said: As a member of NATO and the EEC, Greece has certain obligations. However, no obligations should be placed above the two principles that guide Greek foreign policy -- national interests and international peace.

While talking about internal policy, the Greek prime minister pointed out that the success of the Panhellenic Socialist Movement in the 1981 general election was a great victory. But the party is facing a more severe challenge. The Greek Government has started to carry out a series of reforms in various system in order to satisfy the actual demands of society. The government maintains that the power of the central authorities should be delegated to local authorities so that balanced development of various regions can be ensured. In recent years, the government has increased the wages of those earning low incomes and provided citizens with medical, educational, and social services. Due to a lack of experience, the Greek Government is still encountering great economic difficulties. He stressed that the government will pursue its programs and policies more effectively in the future.

Chinese Ambassador to Greece Chang Hongsheng was also present at the interview.

That evening, Greek Foreign Minister Papoulas met with the reporters' group at the Foreign Ministry. He made a friendly speech on further developing relations between the two countries.

NETHERLANDS MINISTER ON COOPERATION WITH PRC

OW311715 Beijing XINHUA in English 1647 GMT 31 Jan 86

[Text] The Hague, January 31 (XINHUA) -- Prospects augured well for Dutch participation in major Chinese energy and transport development projects, said Dutch Minister of Transportation and Waterways Smit-Kroes here yesterday.

Upon her return from a six-day visit to China, Smit-Kroes said at the airport that Chinese authorities had indicated they would like to work together with Dutch firms on domestic harbor, waterways, shipping and land reclamation projects. She said the Netherlands and China had also indicated their intention to cooperate in telecommunications. The minister urged Dutch companies to forge links with China to enhance their long-term chances to participate in China's major projects.

Referring to a Sino-Dutch agreement on the study of ways to boost the capacity of the Chinese port of Nantong, the minister said she expected the Netherlands to be involved in the construction work and management of the port. The minister said Chinese authorities had become more realistic about the possibilities for short-term development projects since her previous visit in 1980.

MITTERRAND ON FRANCO-SOVIET, U.S. RELATIONS

OW310920 Beijing XINHUA in English 0906 GMT 31 Jan 86

[Text] Paris, January 30 (XINHUA) -- President Francois Mitterrand says that France's independence and the construction of Europe are complementary to each other. Mitterrand writes this is the preface to a collection of his speeches on foreign policy since his election in 1981. Paris-Bonn axis is a necessary condition for the construction of Europe, he stresses.

The book, "Reflections on the Foreign Policy of France", deals with such problems as national independence, balance of forces between the two military blocs in the world, Europe's construction, the right of the people to self-determination and the development of poor countries. On Franco-Soviet relations, he says: "Our interests, more often than people believe, make us closer. Russia, in our history, has always represented, and can still represent, a useful counterweight, either on the European scale or the planetary scale." The Soviet proposal on disarmament "shows that Russia remains the homeland of chess and that Gorbachev is an excellent player", Mitterrand adds.

On the U.S. Strategic Defense Initiative (SDI) program, Mitterrand expresses concern that it might "achieve what neither isolationist campaigns in the United States nor Soviet inducements have obtained since the way: the decoupling or the separation of two unequally protected defense systems of the United States and Europe." Mitterrand says France will press ahead with its own strategic nuclear force and may begin production of the neutron bomb.

YAO YILIN REAFFIRMS OPENNESS TO ALL GULF NATIONS

OW011658 Beijing XINHUA in English 1624 GMT 1 Feb 86

[Text] Beijing, February 1 (XINHUA) -- Vice-Premier Yao Yilin said here today China will not change its policy of opening to the outside world despite some problems. He claimed that China has made great achievements by implementing this open policy in the past few years.

Yao made these remarks at a meeting this afternoon with Nabir Fatah, deputy secretary general of the Abu Dhabi's Chamber of Commerce of the United Arab Emirates, and Bashir Sadiq, editor of the Chamber's publication. Yao told the visitors that China has imported advanced technologies and drawn some foreign capital since its adoption of the open policy. Under this policy, he said, China is open to all the Gulf countries, with or without diplomatic ties. He pointed out that developing economic relations and trade between China and the Gulf countries will benefit both sides. Therefore, China has set up a corporation for trade with the Gulf countries. He welcomed entrepreneurs and businessmen from the Gulf countries to invest in China. "We also welcome banks of the Gulf countries, if they wish, to set up representative offices in China," he added.

WU XUEQIAN CELEBRATES PRC-NIGERIA RELATIONS

OW031610 Beijing XINHUA in English 1507 GMT 3 Feb 86

[Text] Beijing, February 3 (XINHUA) -- Nigerian Ambassador to China Adaugu Adekuoye gave a banquet here this evening to mark the 15th anniversary of the establishment of diplomatic relations between Nigeria and China. Among those present were State Councillor and Foreign Minister Wu Xueqian and leading members of government departments concerned.

Both Adekuoye and Wu spoke highly of the growth of friendly relations and cooperation between the two countries in the past 15 years. Adekuoye noted significant progress in bilateral relations, definite and steady progress in economic field in particular. The cooperative projects on the key areas of agriculture, fisheries, aquaculture, medcines and sports will benefit the two peoples, he added.

Wu said the Chinese Government and people attach great importance to friendly cooperation and sincere friendship between the two governments and people. There exist big potentials for bilateral cooperation, Wu said. He expressed the belief that with the concerted efforts, bilateral trade and economic cooperation will be developed to a new level.

PRC AMBASSADOR TO SOMALIA PRESENTS CREDENTIALS

OW310850 Beijing XINHUA in English 0827 GMT 31 Jan 86

[Text] Mogadishu, January 30 (XINHUA) -- Chinese Ambassador Extraordinary and Plenipotentiary to Somalia Shi Chengxun presented his credentials to Somalian President Siad Barre here this afternoon.

In talks with the Chinese ambassador, Siad said that Chinese assistance to Somalia was genuine and unconditional. The Chinese ambassador conveyed to him regards from Chinese leaders Li Xiannian, Hu Yaobang, Deng Xiaoping and Zhao Ziyang. Siad also asked the ambassador to convey his regards to Chinese leaders.

IRANIAN OFFICIALS MEET OUTGOING PRC ENVOY

OW292032 Beijing XINHUA in English 1928 GMT 29 Jan 86

[Text] Tehran, January 29 (XINHUA) -- Chinese Ambassador to Iran Fan Zuokai left here for home this evening after his term of office expired.

Before his departure, the ambassador met Iranian Majlis (parliament) Speaker Hashemi-Rafsanjani, Prime Minister Hosayn Musavi, Foreign Minister 'Ali Akbar Velayati and other Cabinet members to say goodby to them. Iranian officials expressed their thanks for Fan's contribution to the development of Sino-Iranian relations.

HIGH-LEVEL SOVIET DELEGATION VISITING IRAN

OW021934 Beijing XINHUA in English 1909 GMT 2 Feb 86

[Text] Tehran, February 2 (XINHUA) -- Soviet First Deputy Foreign Minister Georgiy Korniyenko heading a political delegation arrived here today. He is the first high-ranking Soviet official to pay a visit to Iran since 1979 Islamic revolution in Iran.

Talking to Iranian official news agency, IRNA, at airport Korniyenko said that the Soviet leadership believes that expansion of political contacts between Iran and the Soviet Union would be beneficial to both countries. Iranian Deputy Foreign Minister 'Ali Mohammad Besharati who received his Soviet counterpart at the airport said that due to the common border and history of co-existence between Iran and the Soviet Union, Korniyenko has been invited for talks on expansion of ties between the two countries.

It may be recalled that the relations between Iran and the Soviet Union have gone through a rugged path in the past seven years. In November 1979 after the Islamic revolution, Iran unilaterally abolished chapter 5 and 6 of Iran-Soviet friendship treaty signed in 1921 which gave the right to the Soviet Union to deploy its forces into Iranian territory to take necessary military action if any power in Iranian territory poses threat against the Soviet borders. After Soviet troops' invasion upon Afghanistan on Dec. 27 1979, the Iranian Foreign Ministry and state officials repeatedly condemned it.

In November 1980, the Soviet Union was forced to shut down its consulate in Iran's northern city of Rasht under insistence of Tehran which believed Russians in the border city were engaged in activities unfriendly to Iran. In 1982, the Soviet Union restored its weapon supply to Iraq, which angered Iran at war with Iraq. In Feb. 1983, Iran arrested more than one thousand member of pro-Soviet Tudeh Party and then expelled 18 Soviet diplomats accusing them of cooperating with Tudeh Party for hatching plots against the ruling Islamic regime. In May 1985, the Soviet Union recalled its economic experts working in Iran because of Iraqi bombing in the war of cities. Constructions of several Soviet-aid projects, including Isfahan power station, were forced to stop.

But Iran's policy toward the Soviet Union is quite different from its policy towards the United States which Iran regards as its enemy. Trade between Iran and the Soviet Union has increased significantly since Iranian students occupied the U.S. Embassy in Tehran in November 1979, and the United States and its allies imposed an economic sanction against Iran. Immediately after the expelling of 18 Soviet diplomats in May 1983, Iranian Foreign Minister 'Ali Akbar Velayati expressed the hope for a good neighbor relationship with U.S.S.R. In both of 1984 and 1985, Iran sent a deputy foreign minister to visit Moscow. In late last year, Iran helped in securing the release of Soviet diplomats kidnapped in Lebanon.

Observers here expect an improvement of Soviet-Iranian relations from the current visit of Soviet deputy foreign minister.

USSR PROMISES NOT TO SELL MORE ARMS TO IRAQ

OW031908 Beijing XINHUA in English 1856 GMT 3 Feb 86

[Text] Tehran, February 3 (XINHUA) -- Iran's Minister of the Islamic Revolution Guards Corps Mohsen Rafiqdust said here today that the Soviet Union had promised not to supply weapons to Iraq any more.

At a news conference here, the minister said that the Soviet Union didn't meet Iraq's demand for more weapons during Iraqi President Saddam Husayn's visit to Moscow later last year. Rafiqdust said that Iran didn't buy weapons from the Soviet Union. "Iran prefers to producing weapons by itself. If the Soviet Union and other countries intend to sell us weapons, we will buy them," he said. He said that "Iran has missiles. If Iraq attacks our cities, we will launch missiles at Baghdad."

WORLD URGED TO QUESTION PRETORIA'S GOOD FAITH

OW011914 Beijing XINHUA in English 1857 GMT 1 Feb 86

["Commentary: Lesotho To Deport Another Batch of Refugees(by Li Sizhi)" -- XINHUA headline]

[Text] Beijing, February 1 (XINHUA) -- Lesotho's new government has detained 50 South African refugees and informed them they will be deported, according to reports reaching here. The military government of Major-General Justin Lekhanya, which seized power on January 20, airlifted 57 refugees to Zambia last Saturday. It is reported that Pretoria has listed 87 people it wants expelled as suspected activists of the African National Congress (ANC), which has been fighting to topple the apartheid system in South Africa for more than two decades.

South Africa's blockade of its borders beginning January 1 has forced Lesotho to accede to its demand that it expel the ANC refugees in Lesotho. South Africa, which surrounds Lesotho, lifted its strangling security clamp of its borders on January 25, five days after the coup. As more than 95 percent of Lesotho's imports come from or transit through South Africa the four-week blockade caused commercial chaos in Lesotho, as foodstuffs, essential medicines and other vital supplies ran out. Social services had nearly come to a standstill because of shortages of gasoline.

By flexing its economic muscle, Pretoria succeeded in pressuring Lesotho to buckle to its demand that it expel activists opposed to its apartheid policy. Yet, South African President Pieter Botha told Parliament in Cape Town yesterday: "We have outgrown the outdated system of paternalism, as well as the outdated concept of apartheid." Commenting on Botha's speech, a leading government opponent rightly demanded: "If apartheid is outdated, why are our people detained and killed for fighting against it?" People in the world should likewise ask: If apartheid is outdated, why does the Pretoria regime still pressure its neighbors, such as Lesotho, to drive the so-called ANC supporters out of their countries?

JI PENGFEI MEETS WITH BRAZILIAN PARTY LEADER

OW281407 Beijing XINHUA in English 1327 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- State Councillor Ji Pengfei met here today Roberto Cardoso Alves, general secretary of the Brazilian Democratic Movement Party, and his party. Ji is also a Standing Committee member of the Chinese Communist Party Central Advisory Commission.

During the meeting, both sides expressed the wish to further Sino-Brazilian friendship and increase contacts and mutual understanding between the two parties. Ji (?held) a dinner for the visitors after the meeting. The Brazilian visitors arrived here yesterday at the invitation of the International Liaison Department of the CPC Central Committee.

RONG YIREN MEETS BRAZILIAN SENATOR 3 FEB

OW031501 Beijing XINHUA in English 1321 GMT 3 Feb 86

[Text] Beijing, February 3 (XINHUA) -- Rong Yiren, vice-chairman of the nation [as received] met with Brazilian Senator Roberto Campos and his wife here this evening. Campos arrived here on February 1 at the invitation of Rong, who is also chairman of the Board of Directors of the China International Trust and Investment Corporation.

WU XUEQIAN MEETS CANADIAN DEPUTY MINISTER

OW311142 Beijing XINHUA in English 1130 GMT 31 Jan 86

[Text] Beijing, January 31 (XINHUA) -- Chinese Foreign Minister Wu Xueqian met Earl Drake, Canadian assistant deputy minister for external affairs, here this afternoon. Drake is here for the first political consultation between the Chinese Foreign Ministry and the Canadian External Affairs Department.

The Canadian visitor, who arrived here January 28, also had talks with Chinese Vice Foreign Minister Zhu Qizhen today and yesterday.

NICARAGUA PROTESTS U.S. SUPPORT FOR CONTRAS

OW301848 Beijing XINHUA in English 1831 GMT 30 Jan 86

[Text] Managua, January 28 (XINHUA) -- Nicaragua today sent a note to U.S. Secretary of State George Shultz, protesting the U.S. Government's support for the Nicaraguan anti-government forces.

Shultz met Arturo Cruz and two other visiting leaders of the "Nicaraguan Democratic Forces," one of the major anti-Sandinist forces, in Washington yesterday. He promised the three "full support" for their attempt to overthrow the existing government. After the meeting, Cruz said that the White House will ask the U.S. Congress to agree to provide 130 million U.S. dollars in aid for his forces this year.

Nicaraguan Foreign Minister Miguel D'Escoto, who signed the note of protest, said that the U.S. move set at defiance the principles of non-interference and abstaining from the use of arms and the threat of force recognized by the U.N Charter and the Organization of American States. The note also called on the U.S. Government to abandon its policy of force and terrorism and to resume dialogues with Nicaragua.

JOINT CIRCULAR PROHIBITS STATE PLEASURE TRIPS

OW031330 Beijing XINHUA Domestic Service in Chinese 0851 GMT 3 Feb 86

[Text] Beijing, 3 Feb (XINHUA) -- The General Office of the CPC Central Committee and the General Office of the State Council issued a joint circular on 1 February calling on party, government and Army departments from central to local levels and all people's organizations to firmly prohibit the use of public money by cadres for pleasure travel.

The joint circular points out: In recent years, some cadres, including some senior ones, have continued to use public money to travel for pleasure in plain or disguised forms despite the fact that the party Central Committee and the State Council have repeatedly warned against such practices. Some cadres took pleasure trips under the pretext of official duties or visit and study purposes. Some comrades who have left or will soon leave their leading posts have used public money to travel for pleasure. Some departments and units, especially a number of societies and associations, have convened meetings in tourist and resort areas without due consideration for actual need. In this way, they have abetted unhealthy tendencies in the party and society, wasted manpower, materials, and money, and projected a very negative image to the masses.

In order to firmly prohibit the use of public money by cadres to travel for pleasure, the General Office of the CPC Central Committee and the General Office of the State Council have issued the following circular according to instructions from the Secretariat of the CPC Central Committee and the State Council:

1. Leading cadres at various levels, especially senior cadres, must not use public money to travel for pleasure. Leading organs and discipline inspection departments should ask those who violate the rule to seriously conduct a self-examination and handle those violations in a strict manner. The higher units should investigate and affix responsibility for those departments and units that do not take the matter seriously.

2. Taking pleasure trips on the pretext of attending meetings or engaging in other official business must be strictly prohibited. Official trips by cadres should be based on the requirements of their work and must be done according to plans approved by leading organs. During an official trip, they must strictly observe work discipline and financial discipline and must not leave their working areas and use public money to visit tourist and resort areas for pleasure. Those violating this rule will be criticized, and disciplinary action will be meted out against those involved in serious cases. Money spent by cadres in excess of the allowance for official trips shall not be refunded.

Part and government organizations, enterprises and people's and academic organizations should, in principle, not hold meetings in tourist cities or scenic areas. When meetings have to be held in such places, departments and units involved should report their plans to higher organizations for review and approval and obtain concurrence from local people's governments before taking such trips. Besides, those meetings must not be held during the tourist season. Group tours organized by all kinds of meetings for pleasure purposes with public money are prohibited.

3. It is necessary to firmly prohibit pleasure trips with public money on the pretext of visiting for study purposes. Various localities and departments should strictly control visits to and study in different localities.

If such visits are necessary, prior approval by departments concerned of various prefectures (cities) must be obtained if those places are located in different counties; prior approval by departments concerned of various provinces must be obtained if those places are located in different prefectures (cities); and prior approval by provincial, autonomous regional or municipal governments must be obtained if those places are located in different provinces. In addition, they must obtain prior concurrence from the provincial people's government and receiving units where they will visit, when visiting other provinces. Otherwise, no accommodations will be provided. In visiting other localities for study purposes, all units must have a clear-cut purpose, control the number of participants, and strictly set the time, itinerary, and amount of expenditures. Expenditures will not be refunded if the travelers do not act according to the approved plan, take an indirect route or stay longer than necessary for pleasure purposes with public money. Those involved will be handled according to disciplinary stipulations.

Travel to other provinces for various activities by party committee secretaries, governors, chairmen, and mayors of various provinces, autonomous regions and municipalities under the direct jurisdiction of the State Council shall be reported to leading comrades of the party Central Committee or the State Council for approval. Directors or ministers of central departments and state organizations should notify the General Office of the CPC Central Committee or the General Office of the State Council beforehand if they want to leave Beijing for other places.

4. Going to different localities for convalescent or rest purposes or visits to relatives by cadres at various levels must strictly follow related stipulations of the state. Cadres at the governor and vice governor (minister and vice minister) level may have their relatives accompany them when they want to travel to other localities for convalescent or rest purposes because of illness, old age, or physical weakness but only one relative's expenditures for train, boat, or air fare and lodgings of the same class will be approved for refund.

Localities, departments, and units must not use public money to organize retired cadres' tour groups or trips for pleasure purposes under certain pretexts. Public funds for retired cadres must not be issued to individuals. The visit to industrial and agricultural projects by retired cadres should be administered strictly in accordance with relevant regulations.

5. Financial departments and financial and accounting personnel should act strictly in accordance with rules and regulations and strive to close the loophole of taking pleasure trips with public money. Expenditures spent in violation of rules must not be refunded regardless of who spent the money or who approved such spending. Leading cadres at various levels should support financial departments and financial and accounting personnel in carrying out their duties. If leading cadres force financial departments to reimburse such expenditures, financial and accounting personnel have the authority to reject the reimbursement and should report the incident to higher departments and discipline inspection departments. The higher responsible departments and discipline inspection departments should investigate the actual situtation and handle those cases in a strict manner. The financial and accounting personnel should act as models in observing financial discipline. Those who violate regulations and act wrongly out of personal considerations in disregard of their responsibility shall be seriously criticized and ordered to correct their mistakes.

The General Office of the CPC Central Committee and the General Office of the State Council asked party committees and governments at various levels to immediately transmit this circular upon receipt to all units and cadres under their jurisdiction and conscientiously implement the stipulations of this circular. In the event of variations between previous regulations and the stipulations of this circular, all units should act in accordance with this circular.

DISCIPLINE DEMANDED FOR FAVOR-SEEKING CADRES

OW030937 Beijing XINHUA Domestic Service in Chinese 0244 GMT 3 Feb 86

[XINHUA commentator: "Frustrate Intercessors Wherever They Appear"]

[Text] Beijing, 3 Feb (XINHUA) -- An important task is to eliminate interference in improving party style and in investigating major cases and opposing "intercessions." Fully aware that "intercession" is something disgraceful and unable to withstand the light of day, many intercessors still resort to tricks to try and have former subordinates, colleagues, relatives or friends absolved from mistakes and crimes they have committed. Some play up the slogan "it is everybody's mistake" and blame the collective for the discipline and law violation, doing all they can to absolve the person concerned from his personal responsibility under the pretext that the relevant action has been discussed by the collective and approved by all its members.

Others request, under various excuses, that consideration and concern be given to certain lawbreakers. For those advanced in age, they would use the pretext "they will soon retire; don't make them suffer in their late years." For younger persons, they would use the pretext "they are young and not experienced; don't finish them off in one stroke." For relatives of cadres, the pretext would be "you must take into consideration their relatives, and must be careful not to hurt a certain leader's prestige." Still others would list the merits of the person under investigation, saying he is capable, he has done meritorious service, he has made contributions, his past political performance has been good, he is needed very badly now, and he must be given protection to get through, and so on and so forth.

No matter how convincing the intercessor's remarks may seem, they can never conceal his intent to connive with and shield somebody by bending the law. If intercessors were to prevail, lawbreakers would feel secure in the knowledge that they could depend on strong backing, the sacredness of party discipline and state law would be brutally trampled, and achieving a fundamental turn for the better in party style and general social mood would be nothing but empty talk.

It is the party Central Committee's strategic decision to straighten out party style and investigate importance and major cases. Why have results in this regard been scarce in some places and units? Why is it that some major cases have not been investigated; if investigated, why have they not been dealt with; or, if dealt with, why have they not been handled sternly? In addition to serious bureaucraticism among leaderships, one problem we should reckon with is the existence of some intercessors who interfere with investigations for their own personal gain. Comrades should realize that we communists must intercede only in the interests of party discipline and state law for the country's prosperity and for the people's well-being and happiness. On no account and under no circumstances must we intercede for personal gain, bend the law, and, as bureaucrats of the old society do, try to shield each other. To do so would be to harm the party, the state, and the people.

In the course of rectifying party style, our party and government leaders at all levels must first have to courage to defy intercessors. This alone is not enough. They should subject intercessors to criticism, education, and even disciplinary action, depending on the seriousness of the case. In the case of state functionaries who, taking advantage of their position, accept bribes to pervert justice and knowingly shield somebody else, investigation should be conducted seriously to determine their criminal responsibility. In short, we must frustrate intercessors wherever they appear. In this way, they surely will think twice before doing something reckless.

Of course, while opposing "intercessions," we must scrupulously avoid designating people indiscriminately as "intercessors." If someone just airs opinions or inquiries about a certain case, we should not accuse him outright of "intercession" without any analysis. This would not be the way of encouraging the free airing of views or of readily differing voices.

JIEFANGJUN BAO DEPLORES SHIELDING INTERCESSION

OW040534 Beijing Domestic Service in Mandarin 2315 GMT 3 Feb 86

[Report on article in JIEFANGJUN BAO on 20 January by (Zhao Zhiming): "Stand Up Against Intercessional Trend"]

[Text] — The article says: Investigations of cases involving some leading cadres or their relatives often cannot continue, or such cases cannot be handled even when they are thoroughly investigated. One of the reasons for this is that some cadres shield one another. Thus, an intercessional trend has prevailed. Those who intercede for others often have high-sounding reasons for doing so. Some of them say: This comrade has made mistakes, but his contribution or meritorious service must also be considered.

In fact, one's contribution or meritorious service and one's involvement in a case are two different things, which must not be confused with each other. Merits are merits, and demerits are demerits; the former cannot atone for the latter. If one were not punished for violating party discipline just because one had done something in the interest of the people, how could it be possible that everyone is equal before discipline?

Some people say: Punishing a leading cadre will affect his prestige. If this is the case, how can he continue to perform his duties after being punished? When one has made mistakes, one should not cover them up, should subject oneself to thorough investigation and severe punishment, and should conscientiously correct those mistakes. Only thus can one win the trust and understanding of the masses. Otherwise, if one's mistakes are covered up, one cannot draw a lesson from one's mistakes or conscientiously correct them; in that case, one may even repeat mistakes again and again. Moreover, one just cannot wrap fire in paper. That being the case, an erring cadre will really lose his prestige and will not be able to perform his duties.

Some people say: Since some cadres are retiring, their past should be considered closed when they make a self-criticism; there is no need for us to part on bad terms. Some cadres are leaving or retiring from a unit. This does not mean that their problems will be settled and that they will no longer remain cadres and party members. Unhealthy tendencies among them and their violations of law and discipline should be seriously and thoroughly dealt with in accordance with party discipline and the law of the state.

In addition, individual mistakes are covered up under the pretext of collective decisions. When members of a party committee collectively discuss and decide a matter, the party committee, of course, should be held collectively responsible for it. However, each member of the party committee should also bear his share of responsibility for the collective decision. The principal leading cadre of the party committee should bear more responsibility in this regard. One fails to adopt a communist attitude if one shirks one's responsibility and shifts it to the collective. Communists also pay attention to human feelings, but such feelings must be reasonable and in the party spirit; they must not practice favoritism, make unprincipled pleading for erring relatives, or shield violators of law and discipline.

The intercessionary trend of pleading for others' mistakes is diametrically opposed to communists' party spirit and is essentially distinct from the communist attitude of uniting and cherishing comrades. The intercessional trend is a corrupt practice held over from the officialdom of the old society. To rectify unhealthy tendencies, party committees and responsible cadres at all levels must resolutely oppose the intercessional trend, no matter where it originates.

OUTWARD DEVELOPMENT URGED FOR SPECIAL ZONES

HK0106Z0 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 1 Feb 86 p 2

[Commentator's article: "Take Business Overseas -- Special Economic Zones Should Develop an Outward-Oriented Economy"]

[Text] The four special economic zones of Shenzhen, Zhuhai, Shantou, and Xiamen have arisen on Chinese soil. In the short span of 6 years, barren coastlands, small towns, and closed cities have become frontline regions in opening the country to the world. They not only exert a positive impact on the "four modernizations" drive and the reunification of the motherland, but have also become China's important symbols of resolutely implementing the policy of opening up to the world. Practice has irrefutably proved that the central authorities' policy of building special economic zones is absolutely correct.

The 6 years of the special economic zones have been 6 years of laying foundations, 6 years of pioneering, and 6 years of exploring. When a decision was imminent on building special economic zones, RENMIN RIBAO published a commentary entitled "It Is Necessary To Focus Our Attention on the Word 'Special.'" Practice over the past 6 years suggests that special economic zones should develop an outwardoriented economy, regarding industry as the dominant factor and combining industry with trade.

"Why must special economic zones develop an outward-oriented economy? Can they develop an inward-oriented economy?" Our answer is that they cannot develop an inward-oriented economy. China has designated certain regions for building special economic zones because it wants to use successful foreign experiences to explore and create new things and to form a new economic structure so that it can bring into play the concept of the "four windows" (technology, knowledge, management, and foreign policy) and the radiative and pivotal role of special economic zones. This economic structure is closely linked with the international market and will enable us to effectively introduce foreign technology, to assimilate and absorb foreign technology, and to study advanced foreign management. Production under this economic structure is arranged according to the needs of the international market. Apart from merely enjoying special policies, special ecoromic zones should be more capable of increasing foreign exchange earnings through exports than other regions. They should do business abroad and serve as a vanguard in finding paths to the international market, exporting more and increasing foreign exchange earnings. Only by developing an outward-oriented economy can special economic zones have vitality. For an inward-oriented economy, we would not have built special economic zones. Experience over the past 6 years has helped define our main theme. Now we should have unanimity of understanding.

"Why should special economic zones regard industry as the dominant factor?" Regarding industry as the dominant factor does not mean that we should not develop commerce, service trades, tourism, estate business, and the tertiary industry. The latter are necessary for providing an excellent investment environment for special economic zones, but their scales and growth rates should correspond with actual needs, funds available, power supply, and communications capacity.

Viewed from the overall perspective, an advanced, outward-oriented, and competitive industry is the foundation of special economic zones. Only with a consistent flow of industrial products into the international market can special economic zones maintain steady foreign exchange and revenue. Special economic zones should form an industrial structure in such a rational manner that their industries, commerce, tourism, banking, and other trades can develop in coordination and mutually benefit each other.

The formation of an outward-oriented economy which regards industry as the dominant factor and combines industry with trade cannot be accomplished in one move. In a sense, this formation is more arduous and complicated than building special economic zones. As competition in the international market is sharp, it will be very difficult to defeat our opponents by a surprise move if we do not have hard-trained skills, good quality products, a good information network, and a developed sales and maintenance network. Special economic zones should develop medium-sized and small industries by giving prominence to being "precise, small, light, and new." A small boat can be managed easily. A small quantity of goods can be adapted to the changes in the international market and delivered in time. Special economic zones should concentrate their efforts on producing top quality products currently in short supply.

By stressing exports, we do not mean they are not allowed to sell their products on the domestic market. Special economic zones can sell on the domestic market the "foreign goods" they produce so long as the state needs them. In this way, the state does not have to import these goods. This does not contradict the principle that special economic zones must mainly sell their products abroad. It also corresponds with the overall and long-term interests of the state. This matter requires the support of the relevant policy.

An outward-oriented economy and the hinterland economy complement each other. The latter serves as a powerful backing for the former. Special economic zones serve the whole country, and the whole country supports special economic zones. Special economic zones now carry out interunit operations with central industrial departments, scientific research departments, and enterprises in the hinterland. They also conduct operations with foreign countries. In this way they can manufacture products up to international standards and which help increase foreign exchange earnings and expand the economies of special economic zones. In addition, special economic zones can transfer imported technological projects to the hinterland and therefore help develop the economy of the hinterland. The hinterland can have its semi-finished products processed in special economic zones so as to improve the export value of these products, thus increasing foreign exchange earnings for and bringing credit to the state. This is worth developing.

Running special economic zones for 6 years in a socialist country such as ours has enabled us to initially understand such workings, and as a result our cadres have improved their abilities. This is very important. The target is clear, and the road is being opened. Special economic zones should take steadier steps toward new targets set by the Seventh 5-Year Plan.

EMERGENCE OF NEW ENTERPRISE GROUPS HAILED

HK310834 Beijing JINGJI RIBAO in Chinese 20 Jan 86 p 1

[Commentator's article: "Welcome, New Enterprise Groups"]

[Text] A number of diverse enterprise groups at various levels have been taking shape. This is a new achievement in establishing lateral ties between enterprises.

It is in preparation for the emergence of a new vertical layout of enterprises which are closely related in our country. This new development in our country's economic life is followed with interest by people everywhere.

The development of horizontal cooperation between various enterprises in forming various kinds of economic combines facilitates rational exploitation of resources, rational use of funds, and rational layout of productive forces. It also improves economic results of enterprises and society. These advantages are understood by many comrades in our economic departments and enterprises. However, we have not yet attached adequate importance to the far-reaching significance of deepening the reform and promoting our economic development in the future.

Invigorating our large and medium-sized enterprises is the key link in our economic structural reform. Our enterprise groups have developed with large and medium-sized enterprises as their backbones. The formation and development of these groups will have an important impact on our whole economic life. Strengthening horizontal relations between enterprises will result in breaking restrictions on areas and departments and will promote the development of a planned commodity economy and a rationalization of the organizational structure of enterprises, thus emancipating social productive forces. The formation of enterprise groups will cause new changes in subordinate relations, ownership composition, planning, financial, and circulation systems, and so on, in our enterprises. As these groups take shape and develop, we will discover the obstacles in our current systems, rules and regulations hindering the formation of combines, and continue to reform them, thus continuously resolving contradictions between productive forces and relations of production, and promoting the development of production.

Our rising enterprise groups are full of vigor, but they also have their defects. Therefore, it is necessary for relevant departments to lend various support and aid. They should step up the formulation of relevant laws, regulations, and policies in order to provide clear stipulations concerning the protection of investment, arbitration of disputes, distribution of interests, sources of materials, and so on. They should give further guidance and make further coordination efforts in order to continue consolidating and improving the form and content of the merger. In short, we should apply economic and legal means more frequently in administering enterprise groups and promoting their development and growth. As long as all relevant departments, areas, and enterprises enthusiastically solve problems, provide services, and open up paths for enterprise groups, an increasingly large number of enterprise groups will certainly take shape more quickly and continue to develop.

COOPERATIVE ECONOMY BASED ON HOUSEHOLDS SEEN

OW030520 Beijing XINHUA Domestic Service in Chinese 0745 GMT 2 Feb 86

[Text] Beijing, 2 Feb (XINHUA) -- [XINHUA Commentator: "Regional Cooperative Economy Should Be Based on Household Operation"]

In addition to promoting specialized cooperation, improving and promoting regional cooperative economy has become an important project for thorough-going reform in rural areas to maintain the development of the commodity economy there.

Some comrades maintain that regional cooperative economy should be discussed less often or not at all for the time being, for fear that it would replace the contractual household operation and make the peasants feel uneasy. Such a worry stems mainly from the fact that the mistakes of overcentralized management and egalitarian distribution committed in developing the cooperative economy in rural areas have created a misconception among the peasants about the cooperative system.

We must realize, however, that what the peasants fear is "eating from the same big pot," and not the cooperative system. We will not cause any fear among the peasants if, in the course of improving the regional cooperative economy, we provide the services needed for contractual household operation strictly in accordance with the requirements for developing the commodity economy and if we avoid following the old path.

Will there be any contradiction between improving the cooperative system and maintaining the base of contractual household operation? No. A major achievement in restructuring the cooperative economic system in the nation's rural areas lies in the fact that contractual household operation has become a relatively independent sector and that a double-layer operation system combining centralized collective operations and the decentralized operation among individual rural households has been established in our regional cooperative system. This new form of a Chinese-style socialist cooperative system has enlivened and reinvigorated the rural economy and promoted full-scale rural economic development. Ample facts have proven that improvement of the cooperative system is out of the question without contractual household operations and that contractual household operations can hardly achieve a breakthrough without a centralized regional cooperative economy operation or the development of a specialized cooperative economy.

The reason why we propose to improve the cooperative system is specifically because we want to give fuller play to the vitality and role of contractual household operations. On the one hand, the development of commodity production in the rural areas will certainly give rise to the issue concerning the size of operations, and an appropriate size for operations can be determined through proper cooperation and association, beginning with providing the needed services. On the other hand, in the course of developing commodity production, peasants urgently want the cooperative economy to help them solve production and operational problems they cannot handle individually -- problems such as irrigation, tractor plowing, plant protection, supply and marketing, processing, storage, transportation, technical expertise, information, and so forth. It has now become the peasants' common aspiration to become prosperous and have access to needed services, and improving the cooperative system can satisfy their needs in carrying out their contractual household operations.

While improving and developing the regional cooperative economy on the basis of maintaining contractual household operations, we should permit diverse methods, forms, and scopes for combinations of centralized and decentralized operations, keeping in mind the different social and economic situation in different localities. We should not, in particular, set excessive requirements for areas where collective resources are scarce, production is fairly simple, and output is primarily used for self support, nor should we demand quick results from them. These areas should be allowed to start from the very basics. They may begin from one thing, one project, or one production link. The cooperation may even be carried out on a one-time basis. Only when conditions permit should they gradually develop their cooperation. We must guard against the previous rigid forms of cooperation in all spheres of production, as well as the type of cooperation which means combining everybody's property, organizing collective labor, and "eating from the same big pot." This is because we have suffered quite a lot from those practices.

Developing the cooperative system is a process of economic development, which must not be accomplished by means of political movements. In the course of developing the commodity economy, the peasants should be permitted many opportunities to try, compare, and choose by themselves, and we must give them the time and the right to choose. In accordance with the masses' performance and requirements, our cadres should discover, support, and popularize the forms of cooperation they need.

Following what we have discussed, the improvement and development of regional cooperative economy should follow these three principles: First, contractual household operations should remain unchanged; second, cooperation should be based on voluntary participation and should begin by providing the services the peasants need; and third, the scope of cooperation should be appropriate, and cooperation should not be primarily in the form of public ownership. Of these three principles, the first is the most essential.

ECONOMIC REFORM, DEVELOPMENT ADDRESSED

HK310835 Beijing GUANGMING RIBAO in Chinese 18 Jan 86 p 3

[Article by Liang Song: "Correctly Handle the Relationship Between Economic Reform and Development"]

[Text] The Seventh 5-Year Plan period is an important one in the comprehensive reform of China's economic structure. To lose no time in pushing ahead with the reform, we should strive to create a good economic environment conducive to reform. This is an important task confronting us. The key to fulfilling this task is to place the reform in the correct realtionship to economic development and to define a rational economic growth rate and a proper scope of capital construction projects so that construction plans, for now and for some time to come, will be conducive to the progress of reform.

The rate of economic development should be properly reduced in order to create a good economic environment for the reform. Economic reform and development are interdependent. On the one hand, changes in the economic structure are restricted by the economic development stage and are dependent on a certain economic growth; on the other hand, economic development presupposes the existence of a certain structure. Without a vigorous new economic structure, it would be impossible to have an internal motivating force for the long-term, stable, sustained, and highly efficient development of the economy, and the rapid evolution of China's economic development stage would probably be delayed. Therefore, giving first priority to reform is precisely aimed at laying a good foundation for the long-term development of the Chinese economy. Moreover, economic reform means adjusting profit distribution and production relations.

To reduce the possible emergence of excessive demand, we should ensure a more ample supply of social commodities by stabilizing the economy. However, because the inertia of the old structure still functions in the early stage of reform and because the micro self-control and macro regulatory mechanisms in the new structure have not taken shape, "overheated" economic development is likely, leading to worsening inflation. Under these circumstances, if we fail to consciously reduce the growth rate and to bring the scope of investment under control, the economy will inenvitably be further strained and destabilized, thus endangering long-term objectives of reform, such as fully invigorating enterprises, activating the role of market mechanism, and increasing indirect macroeconomic control functions. Since the beginning of last year, in light of the new developments in the economic life, the CPC Central Committee and the State Council have adopted a series of measures to strengthen macroeconomic control, regulation, and management and have attained tangible results. However, the scope and tempo of construction are still moving forward under their own momentum and the trends of aggregate social demand exceeding aggregate social supply have not been fundamentally reversed. Therefore, we should further eliminate unstable factors in economic development and consolidate, absorb, and develop the reform achievements. At present, it is still necessary to control the growth rate and the total scope of capital construction.

The key to managing the relationship between reform and development and creating a good economic environment is to reduce, as much as possible, friction arising from the transformation of structural and development patterns. In their economic reforms, all socialist states are confronted with the dual task of transforming both structural and development patterns. Generally speaking, only by thoroughly overcoming the inherent defects of the outdated structural pattern, such as practicing soft budgeting and stressing quantitative expansion in investment and consumption, is it possible to transform the outdated development pattern with a high growth rate as a primary objective, development by extension as a principal means, and the heavy industry as a central link. In fact, it is difficult to initiate a reform without slightly adjusting the outdated economic pattern in the initial period. This is because the inertia of the old pattern and the immaturity of the new one will cause the economy to deviate from its existing orbit. They cannot completely bring the economy into line with the requirements of the new pattern. The end result of some reform measures even differ from the original ideas and estimates. The superhigh growth rate at the end of 1984 was precisely caused by the intensified friction of this variability. Judging from the structural aspect, although controls on original financial budgets were tightened, controls on bank credit were relaxed; the investment hunger obviously resulted in blind competition; and the pluralistic investment pattern initially developed still lacked an effective macroeconomic coordinating mechanism. All these are factors of unstable economic movement.

Viewed from the development pattern, the balance between the major branches of the economy has been improved in the past few years but some imbalances between the production structure and the product mix have not been eliminated. Drastic changes in consumption pattern, which is more or less related to premature consumerism, inevitably aggravate market shortages; the excessive development of town and township enterprises and excessive competition of products at a low level have also posed new problems for the transformation. It should be said that there is bound to be friction in the course of transforming the two patterns. The question is how to minimize the friction so that the comprehensive reform in the future can be smoothly conducted in a relaxed environment. In light of our past experience, we should pay particular attention to speeding transformation of the structural pattern by consolidating and absorbing reform achievements so as to properly reduce frequent changes in the development pattern. That is to say, small adjustments or development measures should be adopted to facilitate economic stability. Moreover, in the next 1 or 2 years, we should amplify economic legislation as quickly as possible, institute and perfect measures for economic supervision, and act in coordination with the indirect macroeconomic control system in order to ensure the relative stability of the economic movement.

Rationally determining the investment pattern and orientation is not only an important condition for maintaining a good economic environment and speeding transformation of the structural pattern but also a prerequisite for the continued transformation of the development pattern within a certain limit. To this end, regarding the investment pattern, we should lend prominence to key construction projects and speed the development of such basic industries as energy, transport, telecommunications, and raw and semifinished materials; we should also appropriately increase investment in reconstructing and extending the existing production capacity. In doing so, we do not mean following the beaten track of self-oriented heavy industry but are aiming at providing the strength needed for vigorous economic development in the 1990's. This is not in contradiction with the formation of a new industrial structure. In developing those industries and departments directly related to the people's livelihood, we should give priority to the improvement of economic results and product quality and the adjustment of product mix so that only the best can survive. Only by adhering to the above-mentioned orientation in our economic construction is it possible to flexibly combine the transformation of the two patterns in a dynamic sense.

In the early Seventh 5-Year Plan period, in addition to consciously slowing the economic growth rate, we should pay attention to feedback from and the effect of the reform on construction and the environment. Many reform measures are directly or indirectly related to changes in the economic development mechanism. For example, in the course of continuously invigorating the enterprises, we should further expand the investment function of the enterprises and increase their ability to develop on their own. This makes it necessary to assess their results and to draw a rational demarcation at a certain stage of development. This is even more the case for reforms in the building industry and capital construction management structures. Given the lack of the macroeconomic coordination mechanism and the rigidly binding investment risk system, excessive institution of such practices as the investment contract system in building projects will inevitably encourage a tendency toward investment decentralization; reform of the revenue and banking systems will also indirectly spread to the development field and increase aggregate social demand.

Moveover, some unhealthy practices that crop up in the wake of reform will further add to the task of stabilizing the economy. Naturally, it should be made clear that controlling the growth rate and improving the economic environment are not the objective itself. However, given the characteristics of the current situation, only by relatively stabilizing economic life is it possible to conduct the reform smoothly. Therefore, faced with the two new problems mentioned above, it is necessary to pay attention to the potential danger of aggregate social demand getting out of control as soon as restrictions are lifted. In the course of adopting further measures, in addition to devising proper ways to deal with the situation, we should also make good arrangements for the moves to be taken in the light of the capacity of the national economy to withstand strains at present and for some time to come and, after taking the moves, quickly bring the micro and intermediate [zhong guan 0022 6034] economic development into line with the macroeconomic development plan. Only in this way can we minimize the impact on society, ensure the coordination of various reform measures in a good environment, and attain the best long-term and overall results.

Neither should we overlook the "prospective value" [gi wang zhi 2601 2598 0237] of improving the economic environment, that is, correctly appraising the attainable targets of stabilizing the economy. One view argues that stabilizing the economy is aimed at making aggregate social supply slightly greater than aggregate social demand and placing a buyers' market in the leading position. Needless to say, the role of market mechanism can be brought into full play only in a buyers' market. However, viewed from China's medium-term economic situation, can we regard the formation of a buyers' market as a target in stabilizing the economy? Studies conducted at home and abroad show that market transformation, namely, the transition from a sellers' to a buyers' market, is the "compound function" of various factors, such as the economic structure, development stage, and industrial structure. Recent statistics in our country also show that the current stage of China's economic development and the status of its production structure and product mix are still far from providing the buyers' market with all necessary conditions.

Thus we see that the "prospective value" of stabilizing the economy and improving the environment should not be overestimated. The significance in making clear this point is that: First, it helps us gain a clear understanding of the relationship between the short-term action and the long-term target of economic motion. Under the conditions whereby the market for production factors [yao su 6008 4790] is yet to develop and the shortage of goods and materials cannot be thoroughly remedied in a short time, unduely placing the buyers' market, which constitutes our long-term objective, on the order of the day will consciously or unconsciously lead to a situation characterized by "all-out development." Second, it helps us prevent another tendency, that is, inappropriately adopting various measures to reduce consumption, such as artificial inflation, excessive reliance on imports, and rationing in a disguised form, in the name of creating a buyers' market, because these measures can also create an "unnatural" buyers market.

Third, it helps us obtain a clear picture on how to establish and improve the steps of market mechanism. Given the insufficient conditions for forming a buyers' market, we should speed the adjustment of the market structure, speed the development of the technological market, establish the capital market, and open up the labor market. Moreover, we should reduce the pressure on the consumer goods market by promoting a change from a quantity- to a quality-type product mix so that a systematic coordination of the market system can initially take shape. In short, correctly handling the relationship between reform and development is of great practical significance.

PUBLIC SECURITY OFFICIAL ON NEW ENTRY, EXIT LAWS

OW021405 Beijing XINHUA Domestic Service in Chinese 0929 GMT 1 Feb 86

[Text] Beijing, 1 Feb (XINHUA) -- Cao Luhe, director of the Exit-Entry Bureau of the Public Security Ministry, today answered XINHUA reporters' questions on the law governing entry and exit for foreigners and the law governing exit and entry for Chinese citizens.

Question: The laws governing the entry and exit for foreigners and Chinese citizens went into effect on 1 February. Would you please discuss the regulations of the law governing entry and exit for foreigners conducive to opening up to the outside world?

Answer: There are mainly four aspects. First, facilitating entry into the country by foreigners. Article 6 of the law stipulates: To enter the country, foreigners should apply for visas at the Chinese diplomatic missions, consulates, or other diplomatic agencies authorized by the Foreign Ministry. Under special circumstances, foreigners may apply for visas at ports designated by the competent departments of the Chinese Government. As a matter of fact, visa applications have been accepted at a number of major entry ports including Shanghai, Beijing, Tianjin, Xiamen, and Fuzhou since early 1985. The ports handling entry visas are a supplement to the diplomatic agencies of our country. Second, abolishing the exit visa to facilitate the departure from the country by foreigners. We had always required exit visas for foreigners to leave the country. This practice not only caused inconvenience to many foreigners but also ran counter to common international practice. Therefore, we made some changes in drafting the law and now stipulate in Article 22 of the law that "foreigners leave the country by their valid passports or other valid travel documents." Third, relaxing travel restrictions. For a long time, we used the travel pass system for foreigners traveling in China. To meet the requirements of opening up to the outside world, we have changed this practice since 1982 by designating 29 open areas where foreigners may travel without having to apply for travel passes. By the end of 1985, the number of such areas had increased to 107. Effective 1 February of this year, the number of such areas is raised to 244. Thus, foreigners may freely travel to most of our cities, scenic spots, historical sites, and famous tourist spots. This also constitutes a rather extensive relaxation of restrictions. More areas will open in the future. Fourth, granting permanent residence to foreigners investing in China. To give special treatment to foreigners investing in China, Article 14 of the law provides a stipulation on granting long-term or permanent residence for foreigners investing in China or engaging in business cooperation with Chinese enterprises. In the future, special treatment will also be given to these foreigners with regard to entering and leaving China.

The aforementioned measures constitute a relaxation of restrictions. There are, certainly, many articles on strengthening the administration of entry, exit, residence, and travel of foreigners, as well as articles requiring foreigners to abide by Chinese laws, not to endanger China's national security, harm social and public interests, or disrupt social and public order. These regulations are indispensable to a sovereign nation.

Question: Compared with the past, has there been a great relaxation of the regulations governing the entry and exit of Chinese citizens?

Answer: Yes. For a long time, we had stringent restrictions governing the trips of Chinese citizens abroad and regulating their return home, especially their trips abroad. At the concern of central leading comrades, this problem has been basically solved or overcome, and restrictions on citizens going abroad for private business have been lifted to a great extent. Citizens applying for foreign travel at their own expense for the purpose of visiting relatives and friends, settling down in a foreign country, or for study or employment will all be approved. To ensure that the applications by citizens for going abroad are approved in good time, we also stipulate that public security organs must, after accepting applications, make a decision of approval or disapproval within a prescribed amount of time. These measures are already written into the law governing the exit and entry of Chinese citizens. For example, as is pointed out in the general principles, we regard the "guarantee of the legitimate rights and interests of Chinese citizens leaving and entering the Chinese border" as the reason for drafting this law.

The chapter on exit stipulates that except for the five kinds of persons whose applications for leaving the country should not be approved, all citizens applying to leave the country for private business shall be approved. Public security organs shall decide to approve or disapprove the citizen's application to leave the country within a prescribed amount of time and notify the applicant of their decision. How long is this "prescribed amount of time?" On the basis of the work conditions of the public security organs in various localities, we interpret this as of follows: Ordinary applications for leaving the country should not exceed 30 days; not to exceed 60 days in outlying areas with poor transport facilities. As for application for going to Hong Kong and Macao, the time limit for examination and approval is 60 days because time is required to verify the applications. Application for leaving the country for urgent business should be approved as the occasion demands so as not to delay departure. Compared with the past, the above-mentioned time limits for approving departures are greatly abbreviated. However, generally speaking, they are still relatively long. With the improvement in work and efficiency, they will be further shortened in the future.

Question: According to recent press reports, after restrictions on traveling for private business were lifted, a small number of citizens, unable to get visas to foreign nations, illegally entered their country of destination by improper means. This has caused some adverse effects. Can you discuss this situation?

Answer: Certainly. The overwhelming majority of citizens approved for leaving the country can obtain a visa from their country of destination through proper channels and leave the country legally. However, there are indeed a small number of people who leave the country through illegal means. For example, a number of citizens in some counties under Wenzhou Prefecture, Zhejiang, and Fuzhou City, Fujian, left the country illegally because they were unable to get visas from their countries of destination through proper channels. Some left the country using fake foreign passports or visas purchased at high prices; some legally entered a third country and then illegally entered the country of destination from the third country; some fell into the trap of rings outside our country which assisted in smuggling them into another country where they became stranded; some were captured by foreign immigration authorities while crossing the border and were detained or repatriated. Because of illegal entries by these citizens, some countries refuse to grant visas to our citizens with legitimate reasons to visit their countries, thus affecting departures. We have always opposed this situation. Recently we have enhanced education among personnel leaving the country for private business. The press has also carried reports and comments urging them to abide by not only our laws but also the entry and exit laws and regulations of foreign countries and urging that they not press their luck by sneaking into another country illegally.

At the same time, we have strengthened departure inspection to stop those who do not have visas for their country of destination or those who use false passports from leaving. We have intensified investigation of those lawless persons who collaborated with rings operating outside our territory to smuggle people into another country and severely punish them once their offenses are ascertained.

Question: Now, restrictions on going abroad for private business have been relaxed, but restrictions on going to Hong Kong and Macao for private business are still very strict. Why?

Answer: Hong Kong and Macao are two special places, small in area but densely populated; their capacity is limited. For the good of economic prosperity and social stability in Hong Kong and Macao, the State Council decided to introduce a quota for approving applications for going to Hong Kong and Macao for the purpose of settling down there. It has also been decided that this quota will not be raised. Therefore, only the most necessary and urgent cases are approved.

Question: But going there for short-term visits will not increase the population of Hong Kong and Macao. Should the restrictions not be slightly relaxed?

Answer: Yes. As a matter fact, quotas for round-trip visits have been doubled in recent years. However, the situation is still strained because there are too many applicants. We will further relax restrictions and gradually raise the quota in the future. In view of the special circumstances of Hong Kong and Macao, the law governing the exit and entry of Chinese citizens stipulates: "Procedures governing Chinese citizens traveling to the Hong Kong or Macao areas shall be separately provided by the relevant department of the State Council." The procedures are being drafted.

CUSTOMS OFFICE HOLDS POLITICAL WORK CONFERENCE

HK310935 Beijing GUOJI SHANGBAO in Chinese No 81, 16 Jan 86 p 1

[Report by Lu Di: "Chinese Customs Service Holds National Ideological and Political Work Conference in Beijing"]

[Text] The national ideological and political work conference of the Chinese customs service opened in Beijing on 15 January. The conference is studying how to enhance ideological and political work in the new situation and to effect a turn for the better in customs service party style.

Speaking to over 200 representatives attending the conference, Dai Jie, director of the General Administration of Customs, said that in the past year, the customs service across the country has followed the instructions of the CPC Central Committee and the State Council, resolutely implemented the guiding ideology of "emancipating our minds, boldly carrying out reforms, implementing relaxed policies, managing in a scientific manner, perfecting the legal system, and stressing civility," and made gratifying accomplishments in work. Dai Jie said that many customs have endeavored to implement the principle of "strictly ensuring soundness in work and offering enthusiastic services," energetically and actively served the development of foreign trade, eradicated the style of management with supervision or supervision without service, carried out scientific management, provided greater convenience for travelers, and treated people politely. In investigating smuggling, the customs has concentrated its efforts on major, important cases.

In 1985, the country's customs have investigated and handled a total of over 2,200 smuggling cases involving administrative organs, organizations, enterprises, and institutions. The value of these cases was 610 million yuan, accounting for 89.7 percent of the total case value. As compared with cases in 1984, the number of cases increased by 150 percent, and the case value increased by 830 percent. In accordance with state economic policies and changes in economic development at home and abroad, the customs have revised and implemented customs rules and regulations and the new regulations on customs duties, given tariff preference to the import of technology and equipment for communications and telecommunications, levied regulatory tariffs on 15 kinds of commodities, whose price differences at home and abroad are great, and on some production lines to prevent blind and duplicate imports of such lines, and relatively satisfactorily coordinated with the state in readjusting the economic structure and in exercising macroscopic control over imports and exports.

In view of the recent tendency to belittle ideological and political work, Dai Jie pointed out that customs must make great efforts to strengthen ideological and political work, and earnestly solve problems of party style and work style. He urged the customs to resolutely respond to the call of the Central Committee and strive to improve party style in the customs service within one year. In the past few years, many advanced individuals and collectives have emerged in the customs service. The General Administration of Customs will commend 26 advanced collective and 43 advanced workers.

ZHAO ZIYANG ATTENDS FORUM WITH SPACE SCIENTISTS

OW031301 Beijing XINHUA Domestic Service in Chinese 0732 GMT 3 Feb 86

[Text] Beijing, 3 Feb (XINHUA) -- Zhao Ziyang, member of the Standing Committee of the CPC Central Committee Political Bureau and premier of the State Council; Hu Qili, member of the CPC Central Committee Political Bureau and the CPC Central Committee Secretariat; and Tian Jiyun, member of the CPC Central Committee Political Bureau and the CPC Central Committee Secretariat and vice premier of the State Council, held a forum this morning at a satellite launching center with scientists, technicians, and experts from the Ministries of Astronautics and Electronics Industry and from the Satellite Launching Center who participated in the research, manufacture, and launching of a telecommunications and broadcasting satellite for practical use. The leaders thanked and congratulated the scientists, technicians, workers, cadres, commanders, and fighters of the PLA who have made contributions to the country.

The scientists and technicians attending the forum included Wang Shiguang, Gong Ganpeng, Ren Xinmin, Bao Keming, Xie Guangxuan, Li Boyong, Chen Shouchun, Qi Faren, Fan Benyao, Zou Guangrui, Chen Daoming, Zou Dexing, Fan Shihe, Wang Zhiren, Long Lehao, Shi Jinmiao, Gong Dequan, Dai Weiyong, Tong Lianjie, Li Rousheng, Zhang Zhengzheng, and Li Lianlin. During the forum, Premier Zhao Ziyang spoke highly of the devotion of the masses of scientists and technicians on the scientific and technical front for national defense to their work. He said: Scientists and technicians of the national defense industry not only have a high technical level but also a high sense of organization and discipline. Their political consciousness is good. In the past years they have made important contributions to national defense modernization and have scored tremendous achievements in developing sophisticated technology.

Premier Zhao Ziyang said: The scientists and technicians on the national defense industrial front are the quintessence of our country's contingent of scientists and technicians. We must strive to develop the potential of this contingent so that it can contribute to the modernization of our country as a whole.

Participating in the forum were Wu Shaozu, political commissar of the Commission in Charge of Science, Technology, and Industry for National Defense; Li Xue, minister of astronautics, and Li Tieying, minister of electronics industry.

PENG ZHEN VISITS UNIVERSITY, DISCUSSES MARXISM

HK311504 Beijing RENMIN RIBAO in Chinese 30 Jan 86 p 1

[XINHUA report by Zhou Zuyou: "Peng Zhen Inspects Zhejiang University]

[Text] Hangzhou, 29 Jan (XINHUA) — Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of the NPC Standing Committee, inspected Zhejiang University on the afternoon of 28 January. He expressed the ardent hope that comrades of Zhejiang University will strive to master Marxism and skillfully use Marxism, a philosophical weapon for transforming the objective world and the subjective world, to guide reforms, teaching, scientific research, and production, and to train more outstanding personnel with both ability and political integrity for building the material and spiritual civilizations.

While he was at Zhejiang University, Comrade Peng Zhen visited an exhibition of scientific research achievements and the optical instrument central experiment base and went up to the roof of the library for a view of the campus. In the scientific research achievements exhibition hall, Comrade Peng Zhen carefully examined the materials, models, and pictures of important achievements such as the generator set with inner water-cooled stator and rotor, which has won the state invention prize, the electrohydraulic ratio technology [dian ye bi li ji shu 7193 3210 3024 0173 2111 2611], computer supplementary geometrical design, and so on. He shook hands with the teachers responsible for these achievements and talked with them.

While talking with the university's responsible members, senior professors, young and middle-aged teachers, and student representatives, Comrade Peng Zhen said that Marxism is a philosophical weapon for transforming the objective world and the subjective world and is the standpoint, viewpoint, and method for us to observe and solve problems. Marxist philosophy, dialectical materialism and historical materialism are the spiritual weapons of the proletariat and the summary of human historical experience over several thousand years in the past. Its emergence was an epoch-making achievement in the history of philosophy. The history of the past century has proven that Marxist philosophical thinking is correct. In the course of reform, Zhejiang University has achieved good results in teaching work, scientific research, production, and ideological and political work. A very important reason for this is that it has upheld the four basic principles, one of which is to uphold Marxism and Mao Zedong Thought.

Peng Zhen said that in carrying out reforms we must use Marxist thinking as our guidance. Some people hold that it is conservative to mention the use of Marxist thinking as guidance and even think that this means opposing reforms. This is basically a kind of misunderstanding. Comrade Deng Xiaoping said that our reforms are self-improvement of the socialist system. Without ideological reforms, how can there be reform of the economic structure or reform of the scientific, technological, and educational systems? As part of our country's superstructure, Marxism itself develops with the development of its material basis — the development of our country's economy and the development of our country's science and technology. Marxism-Leninism has always been revolutionary and critical. We always advocate taking the inevitable path of historical development and advocate transforming the subjective world while transforming the objective world.

If the subjective world is not transformed, it will not be in keeping with the development of the objective world. We cannot set one against the other. By making good use of this weapon, work in various aspects can be carried out more smoothly, or at least some mistakes in work can be avoided or reduced. Accompanying Comrade Peng Zhen during his inspection were Wang Fang, secretary of the Zhejiang Provincial CPC Committee, and others.

WAN LI, FANG YI VISIT SCIENCE EXHIBIT 3 FEBRUARY

OW032313 Beijing XINHUA Domestic Service in Chinese 1500 GMT 3 Feb 86

[By XINHUA reporter Zhang Jimin and RENMIN RIBAO reporter Wang Yougong]

[Text] Beijing, 3 Feb (XINHUA) — Wan Li, vice premier of the State Council, and Fang Yi, state councillor, came to the Beijing exhibition hall this evening to visit an exhibition sponsored by the Chinese Academy of Sciences on achievements in solving key scientific and technological problems during the Sixth 5-Year Plan period.

On this visit, both Wan Li and Fang Yi showed deep concern about how well scientific research results had been put to use. In front of the exhibition room for "research on all-round improvement and rational development of the Huang-Huai-Hai Pingyuan," they inquired with great interest about the current situation of areas designated for demonstrative purposes in Henan's Fengqiu County, Hebei's Nanbi County, and Shandong's Yucheng County.

When they were told that the average grain output per mou in Pandian, a 10,000-mu demonstration area in Fengqiu County, Henan Province, rose to 730 jin in 1985 compared with 371 jin in 1983 before the grain production problem was solved and that the per-capita income in this area also increased from 154 yuan to (?382) yuan, Wan Li said with great delight: The people welcome the "gods of wealth" like you. When visiting the exhibition showing the successful results in exploiting water and soil resources in the Tai Hu area, he pointed out the need in the future for centralized management of the environmental protection work with regard to such big lakes as Tai Hu and Chao Hu. At the end of the visit, Wan Li said that the Chinese Academy of Sciences had made considerable achievements in solving key problems during the Sixth 5-Year Plan period, and that it is necessary to review experience and continue to advance in an effort to make still greater achievements.

It is learned that during the Sixth 5-Year Plan period, the Chinese Academy of Sciences sponsored 27 projects aimed at solving key scientific and technological problems. Of these, 16 were key national scientific and technological projects. The academy organized more than 4,600 scientists and technicians from 85 research institutes to take part in the work. Through 3 years of unremitting efforts, they made nearly 300 research achievements in 10 different fields, including new materials, remote-sensing technology, bioengineering, petrochemicals engineering, microelectronics, and information technology. Exhibits displaying these achievements left a deep impression upon people.

President of the Chinese Academy of Sciences Lu Jiaxi and Vice Presidents Zhou Guangdan, Yan Dongsheng, and Sun Honglie accompanied Wan Li and Fang Yi on this visit.

WAN LI, HU QILI AMONG TENNIS TOURNAMENT WINNERS

OW030353 Beijing XINHUA Domestic Service in Chinese 1215 GMT 2 Feb 86

[Text] Beijing, 2 Feb (XINHUA) -- The Seventh Beijing Municipal Health Cup Senior Tennis Tournament ended here today. Begun on 22 January, the tournament had 142 male and female participants. Among them were incumbent leading cadres, professors, scientists, and veteran comrades who had retreated to the second line. They were divided into four male age groups and a mixed doubles group. Only doubles were played. The winners and runners-up in each group were:

Group A (over 70): First, Zhang Qingji and Zhang Tianming; second. Yuan Chenglong and Han Chunde.

Group B (60 to 69): First, Wan Li and Zhao Jingxin; second, Gong Dafei and Shen Lihu.

Group C (50 to 59): First, Fu Jintuo and Tao Yilin; second, Hu Qili and Cheng Baoshan.

Group D (40 to 49): First, He Zhenliang and Li Furong; second Zhang Baifa and Tian Shuyuan.

Mixed Doubles: First, Hao Keming and Mao Qunfang; second Yang Huiwen and Xu Wuxiang.

XI ZHONGXUN CONGRATULATES TOP ATHLETES

OW030249 Beijing XINHUA Domestic Service in Chinese 1558 GMT 31 Jan 86

[By reporters Bao Jifu and Bu Yuntong]

[Excerpt] Xian, 31 Jan (XINHUA) -- Our country's outstanding athletes Lang Ping, Nie Weiping, Han Jian, Tong Fei, Yan Hong, Cao Yanhua, Yang Xilan, Li Ning, Jiang Jialiang, and Li Lingwei were chosen the best national athletes for 1985.

Central leading comrades Xi Zhongxun and Song Renqiong, respectively, wrote the following inscriptions for them: "Be determined to scale new heights and to score new achievements through hard training," and "Carry forward the best sportsman's spirit and scale new heights in world sports." With the inscriptions, they extended their congratulations to the best athletes and encouraged them to score greater victories.

This evening, some 1 million people in the old city of Xian watched live television coverage of the ceremony announcing the 10 best national athletes for 1985 and the presentation of awards. The choosing of the best athletes was jointly sponsored by 20 journalist units in Beijing. The exhilarated people inside and outside the Shaanxi Provincial Gymnasium shared the joy of the 1985 best national athletes when they, waving bouquets, marched around the arena and met with Shaanxi Governor Li Qingwei and more than 8,000 people of various circles in the gymnasium.

Addressing the ceremony were Yang Weiguang, representative of the 20 journalist units in Beijing and deputy director of the Central Television Station: Yuan Weimin, vice minister in charge of the state Physical Culture and Sports Commission; and San Daren, vice governor of Shaanxi Province.

HAO JIANXIU ATTENDS SPRING FESTIVAL CELEBRATION

OW030333 Beijing International Service in Mandarin 0900 GMT 2 Feb 86

[Text] The Spring Festival, a traditional Chinese festival day, falls on 9 February this year. The large-scale Beijing cultural party to greet this festival day opened on 1 February at Beijing's Di Tan Park, formerly a royal park. Some 400 factories and companies provided a variety of festival-day dresses, department store goods, piece goods, toys, and plenty of foodstuffs for those who wanted to buy things for festival consumption. There are also over 140 recreational areas featuring acrobatics, animal taming, a horse show, a puppet show, traditional flower arrangements, stilt walking, and so on. The party will last for 13 days until 13 February.

Hao Jianxiu, member of the CPC Central Committee's Secretariat, and Huang Hua, vice chairman of the NPC Standing Committee, toured the Di Tan spring-greeting party together with the first group of the masses.

DENG LIQUN ACCLAIMS HENAN MODERN DRAMA

OW020300 Beijing XINHUA Domestic Service in Chinese 1606 GMT 31 Jan 86

[By reporter Zhang Yanping]

[Text] Beijing, 31 Jan (XINHUA) -- "The Moon on the Fifteenth," a modern play created and performed by the Henan Kaifeng Drama Group, received a warm welcome from the 5,000 or so cadres of organs under the CPC Central Committee and central state organs when it was staged in Zhongnanhai's Huairen Hall 29-31 January. The play has been widely acclaimed as live material for teaching central organs to improve their party conduct.

Based on the love story of two young commanders on the Yunnan front and two young women in the rear guard, the play eulogizes the noble characters displayed by these two heroic commanders in making selfless sacrifice in the bloody war for the sake of the people's happiness. It lashes the despicable thinking and deeds of certain people in the rear guard for forgetting integrity upon seeing gains or for abusing their authority for personal gains. The playwright's intention is revealed in a line of the play: "It is hoped that the roaring artillery fire on the front will awaken some comrades and that the blood of our fighters can cleanse the people's souls!"

The play won a gold medal in a theatrical festival held in November 1985. All 13 performances staged in Beijing in January were sold out, and they evoked a strong response from the audience. After watching the show, Deng Liqun, member of the Secretariat of the CPC Central Committee, said that the play, "The Moon of the Fifteenth," was highly educational and that comrades of central organs should be encouraged to watch it.

GU MU HONORARY CHAIRMAN OF TOURISM ASSOCIATION

OW310741 Beijing XINHUA Domestic Service in Chinese 0926 GMT 30 Jan 86

[By reporter Chen Yun]

[Text] Beijing, 30 Jan (XINHUA) -- With the approval of the State Council, the China Tourism Association was inaugurated in Beijing today. Gu Mu, state councillor and honorary chairman of the China Tourism Association, attended and spoke at the inaugural ceremony.

The association was founded by tourism departments and other departments concerned, as well as tourism personalities, experts, and scholars. Its objective is to unite and mobilize all quarters concerned to enhance mutual understanding and friendship between the Chinese and people of other countries, and exchange and explore experience and rules to promote socialist tourism and continuously stimulate tourism in China.

YANG DEZHI CALLS FOR EMULATING MODEL ALUMNUS

OW040051 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 2 Feb 86

[Excerpt] Jinhua No 2 Middle School has launched a campaign to learn from alumnus (Zhang Hongwei) before the start of the winter vacation. (Zhang Hongwei) was a graduate in 1964 from the senior section of Jinhua No 2 Middle School. He entered the Harbin Military Engineering Academy with high entrance examination scores. Now he is a regimental-level missile instructor of the Guangzhou Surface Naval Vessel Academy. Although he has cancer, he still works assiduously for the party. For this reason, Yang Dezhi, chief of General Staff of the Chinese PLA, has called on the whole Army to emulate him. All teachers and students of Jinhua No 2 Middle School deem it an honor and privilege to have such a good alumnus.

LI XIANNIAN, OTHERS MOURN DEATH OF VICE MINISTER

OW020008 Beijing XINHUA Domestic Service in Chinese 1242 GMT 1 Feb 86

[Excerpt] Beijing, 1 Feb (XINHUA) -- Comrade Zhang Yufan [1728 7183 1581], an outstanding Communist Party member, and member of the leading party group and vice minister of the former Ministry of Aquatic Products, died of illness in Beijing on 12 January 1986. A ceremony to pay last respects to him was held at the hall of the Babaoshan Cemetery of Fallen Revolutionaries today.

Wreaths were received from leading Comrades Li Xiannian, Xu Xiangqian, Wan Li, Xi Zhongxun, Yao Yilin, Bo Yibo, Song Renqiong, Jiang Hua, Xu Deheng, Gu Mu, Zhang Jingfu, as well as from the Organization Department of the CPC Central Committee; the Ministry of Agriculture, Animal Husbandry, and Fishery; the Ministry of Commerce; and the party committees and governments of Zhejiang, Shanxi, and Shandong Provinces.

Xi Zhongxun, Yao Yilin, Duan Junyi, Gu Mu, and Zhang Jingfu, as well as leading members of departments concerned, paid last respects to the remains of Zhang Yufan.

CHEN YUN, OTHERS MOURN WANG YIQUN'S DEATH

OW030201 Beijing XINHUA Domestic Service in Chinese 1216 GMT 1 Feb 86

[Excerpt] Beijing, 1 Feb (XINHUA) -- Comrade Wang Yiqun, former vice chairman of the National Mineral Reserves Committee and director of the National Geological Data Bureau, died of illness in Beijing on 15 January at the age of 77. A ceremony for people to pay their last respects to his remains was held today in the auditorium of the Babaoshan Cemetery for Fallen Revolutionaries.

Chen Yun, Peng Zhen, Nie Rongzhen, Huang Kecheng, Cheng Zihua, Yang Chengwu, Wang Heshou, and He Changgong sent wreaths to the ceremony.

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4. Provisional Regulations of the State Economic Commission and the State Commission for Restructuring the Economic System Concerning Some Questions of Instilling Greater Vitality in Large and Medium-sized State Industrial Enterprises (11 September 1985)

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7. Provisional Regulations on the Automobile Trading Market of the State Administration for Industry and Commerce (11 September 1985)

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CORRECTION TO AREAS OPEN TO FOREIGN TOURISTS

The following correction pertains to the item headlined "Areas Open to Foreign Tourists Increased," published in the 31 January China DAILY REPORT, page K3.

Page K3, paragraph two, line eight reads: . . . Zhalantun [2089 5695 1470] . . . (supplying indistinct word and STC's)

Same paragraph, line fifteen reads: Jiangsu . . . (correcting spelling)

Same paragraph, line twenty-three reads: . . . Jinggangshan . . . (correcting spelling)

Page K 4, paragraph one, line two reads: . . . Shaoguan, Maoming, Huizhou . . . (supplying indistinct words and correcting spelling)

Same paragraph, line sixteen reads: . . . Baoji . . . (correcting spelling)

SHANXI RIBAO ON IDEOLOGICAL, POLITICAL WORK

HK270035 Taiyuan SHANXI RIBAO in Chinese 6 Jan 86 p 1

["Special" commentator's article: "New Experience Should Be Created During the New Period -- On Our Province's Ideological and Political Work Since the National Conference of Party Delegates"]

[Text] Since the National Conference of Party Delegates, leading cadres at all levels and comrades engaged in ideological and political work in our province have inherited and carried forward the party's fine tradition of ideological and political work. They have been bold in making explorations and have created considerable experience for ideological and political work during the new period. Conscientiously summing up these experiences and applying them to our work in the future will play a great promotional role in the building of the two civilizations, spiritual civilization in particular.

After reviewing the work done by various localities recently, we have initially summed up 10 experiences. We enumerate them here for your reference.

1. We have used the dialectical materialist viewpoint to constantly educate people on the situation and policy in order to unify their thinking and will, and to arouse their passionate enthusiasm for the four modernizations drive. This is an important item of the ideological and political work. To carry out education in situation and policy, we should focus our attention on the problems with which people are concerned, such as the problems of reform, opening to the outside world, party rectification, commodity prices, wages, and so on. We should present the facts and reason things out. We should tell people the history, the present state of affairs, the party's policy decisions, and the progress which has been made in solving these problems. We should also tell them, strictly according to the facts, the difficulties we have encountered, the problems which still exist, and the achievements we have made. We should reflect things as they really are. We should not sidestep and cover up the facts, so that the masses understand the situation as a whole, and the principal and secondary aspects of the changing situation. We should guide the masses so that they observe the situation in an all-round, dialectical, and historical way, value the present hard-won favorable situation, and strengthen their confidence in making progress. Following the National Conference of Party Delegates, many leading comrades have gone down to schools, factories, mines, and other grass-roots units. They have studied with the masses the spirit of the National Conference of Party Delegates, and answered their questions. They have exchanged ideas and views with the masses, and solved practical problems. What they have been doing is generally welcomed by the masses. Practice has proved that this is a successful experience for doing ideological and political work during the new period, and should, therefore, be greatly advocated, so that it will become a system in our leadership work.

2. We have organized students to take part in social practice, and urged workers to participate in the reform in their enterprises, so that they understand the overall situation, widen their field of vision, have a sense of being the masters of their own affairs, show concern for and support reform, and become promoters of reform. Recently, the departments concerned and universities and colleges have spent some time on organizing students to go deep into society, the grass-roots units, and the frontline of reform. Through various kinds of activities, such as visits, discussions, investigation, interviewing advanced and model workers, and so on, students have realized the urgency of the reform of the educational system, raised their consciousness of participating in reform, discovered their own deficiencies, and enhanced their sense of responsibility for society. Since they have a clearer and more definite aim of study, they are determined to train themselves as early as possible into qualified personnel suitable for the four modernizations program in accordance with the demands of the party and the requirements of society.

Party organizations, trade unions, and representative assemblies of workers and staff members of many factories and enterprises have paid attention to encouraging workers and staff members to participate in the reform of their enterprises, and put forward rationalization proposals. In so doing, closer ties between cadres and the masses are maintained, and the broad masses of workers and staff members realize that "every man has a share in the responsibility for the success or failure of reform." This has also aroused their enthusiasm in participating in the reform, and promoted the smooth progress of the reform in their own units. Practice has proved that only by placing students, staff members, and workers in the reform can they correctly understand the importance of reform, take part in it as masters of their own affairs, and correctly handle the interests of the state, the collective, and the individual.

3. Let those who have lofty ideals talk about their methods of fostering their ideals, and those who observe discipline well talk about their methods of doing so. We have used typical advanced examples to encourage people to foster the revolutionary spirit of struggling to make progress. A brilliant image of Communist Party members is a banner which has a strong appeal. In the early sixties, the brilliant image of Communist Party members such as Lei Feng, Wang Jie, Jiao Yulu, and others who had ideals, and observed discipline well, stirred people's souls. Their revolutionary values, which nurtured and exerted an edifying influence over people of a whole generation, are still fresh in people's minds. They will never forget all this. Under the present conditions in which party work style and the general mood of society have not yet been completely improved, it is more practical and in accord with the requirements of our times to use typical advanced examples to encourage and enlighten people. The outstanding achievements of advanced and model figures fully demonstrate the traditional virtues sought by the Chinese nation. Using their light to kindle the light of others and using their fire to kindle the flames of others will surely start a prairie fire. Therefore, while giving wide publicity to the advanced and model figures of the whole country, or the whole province, we should also pay close attention to discovering and giving publicity to advanced typical examples of the areas, departments, and units concerned. Of course, our publicity should be based on facts, and no exaggeration is permissible. We should integrate our efforts to give publicity to the advanced deeds of typical examples with the activities of the broad masses of people of learning from heroes and translating their advanced deeds into actions, and encourage new, healthy trends in order to promote a complete improvement in the party work style and the general mood of society.

4. Schools and factories should be run strictly in order to establish a good work style in these units, and to create a good environment for training excellent talented personnel. At present, some social phenomena merit our attention. Some university and college students think that once they enter their universities or colleges, they already have their "iron rice bowls." They are completely satisfied with "60 marks." Therefore, they drift along aimlessly, and just study for diplomas. In factories and mines, some workers and staff members only pay attention to bonuses, but care nothing about their contribution. Good personalities and good deeds are not supported, while evildoers and evil deeds are not criticized. In organs and organizations, work efficiency is generally low, and work progresses very slowly. In some units, people guard themselves against each other, and their relations are cold and detached. In society, some people are jealous of the able and virtuous. "Those who have accomplished something great and enjoy high prestige and command universal respect are basely slandered and attacked." Advanced figures and outstanding talented personnel are isolated, attacked and so on. All these phenomena show that the unhealthy trends inside the party and evil practices in society have become a great stumbling block to our all-round reform, and to the progress of the four modernizations program. Without removing such obstacles, it is impossible to train talented personnel in great numbers. Without removing such obstacles, our reform will not succeed. In some units, discipline is lax, and unhealthy trends are prevalent. Leaders must take responsibility for all these phenomena.

Practice has proven that maintaining strict discipline is decisive in promoting healthy trends, strengthening unity, scoring greater achievements, and training more talented personnel. The key to maintaining strict discipline lies in the healthy trends pursued by leading bodies, and their staunch unity.

5. Proceeding from revolutionary humanitarianism, we should respect people, and show concern for them. We should understand and help them in order to strengthen the coagulative and centripetal force of the collectives. To do the work in this respect well, macroscopically we should adroitly guide action according to circumstances, and microscopically we should work with meticulous care. Their relations should be handled well. We should link well our efforts to discuss principles with our endeavors to deal with concrete matters relating to work.

What we have called macroscopically guiding action according to circumstances means that we should make known to the masses the party's life, guiding principles, and policies exactly as they are, so that they will take into account the general situation and the objectives of the party, advance along the historical orientation,and keep abreast of the trends of development. What we have called microscopically working with meticulous care means that we should proceed from the different conditions of different people and circumstances, follow a down-to-earth style, and do careful and painstaking work bit by bit. Under the present situation of reform, the masses are ideologically active. Leaders should immerse themselves among the masses, and try to find out what they are thinking about, what they desire and demand, and their existing problems and difficulties. They should sincerely help them solve their problems. Only thus will the masses trust their leaders, and will closer relations between the party and the masses be maintained. Only thus will the masses feel the warmth and strength of the collective, and strengthen the coagulative and centripetal force of the collectives.

6. We should persist in the principle of providing proper guidance for the masses. We should move the masses with our sincerity and convince them by reasoning. We should handle contradictions among the people correctly. It is normal for the masses to express this or that view or opinion on certain matters. The correct method we should uphold is the method of providing proper guidance in order to avoid the intensification of contradictions. The ancients said: "Only by widening the source will a river flow far and wide." Here, widening means proper guidance. Providing proper guidance is a basic guiding principle for ideological and political work, and a basic method for correctly handling contradictions among the people. To persist in the principle of providing proper guidance, we should stress the equal footing of the leaders and those who are led. We should say what is in our minds, and dare to express our views in front of people. Only thus can we have heart-to-heart talks with the masses, and exchange views with them. We should move the masses with our sincerity, and convince them with reason. Our units should be full of revolutionary feeling, and comradely affinity. They should also be filled with a human touch, so that people will have deep affection for each other. We should use Marxist and communist ideology and the party's guiding principles and policies to convince and educate people. To persist in the principle of providing proper guidance, we should promptly understand the thinking, feelings, and psychological changes of the masses. We should do all we can to solve these problems in the embryonic stage.

7. We should mobilize various quarters to tackle problems in a systematic way so that ideological and political work will permeate every link and field. Ideological and political work is an important task which affects the situation as a whole. It is also a great and systematic task. On the one hand, we should provide people with ideological education from their early childhood. Ideological and political work should run through all stages of people's lives.

On the other hand, we should realize that this is a matter which should be handled not only by the departments in charge of political and ideological work, but also by trade unions, women's federations, the Communist Youth League, people's militias, judical departments, schools, families, society, and so on. Therefore, CPC committees at all levels should conscientiously correct their mistakes in neglecting ideological and political work. They should assign the work a most important position, study ideolgical trends, throb with the pulse of the masses, and carry out propaganda and education in light of the actual conditions. In the meantime, they should also solve the practical problems of the propaganda departments and ideological and political departments. Various departments, including trade unions, CYL organizations, women's federations, and other mass organizations should make concerted efforts to do their work well. Administrative leaders of the management and vocational (production) departments should overcome the trend of grasping production and business without specific aims. In a word, the whole of society should grasp ideological and political work, so that it will permeate the various links and fields.

8. We should provide systematic education in basic Marxist theory, raise considerably the ideological consciousness of the broad masses of cadres and people, and help them foster a correct outlook on life and the world. In the course of building socialism with Chinese characteristics, we should raise a series of practical and theoretical problems. Due to the fact that some cadres and party members have not mastered basic Marxist theory well, and have failed to understand profoundly that the present policy is a development of Marxism, they waver, or are perplexed over the direction of our advance. They doubt, or even dislike, the existing policy. Therefore, it is absolutely necessary and an urgent need to provide the broad masses of cadres and people with systematic education in basic Marxist theory so that they will raise considerably their political and ideological consciousness, observe the situation, and analyze problems with a correct outlook on life and the world. At present, we have achieved marked results in providing the broad masses of cadres with regular theoretical education, and in conducting political, theoretical, and moral education among the broad masses of young students, with emphasis on improving the teaching of basic Marxist theory. We should not only study the works of Marx and Lenin, but should also study and understand the existing policy, which is a development of Marxism. We should raise our consciousness of implementing the policy, and resolutely keep in line with the CPC Central Committee politically.

9. We should constantly enhance the quality of the party and government cadres, as well as cadres in charge of ideological and political work. We should use our exemplary deeds and effective work to uphold the authority of the ideological and political departments. The prestige of leaders and the authority of the ideological and political departments are not self-asserted. They are established through practice. The real power of ideological and political work lies in the style of actions matching words, in exemplary roles, and in fine character and work style. This is because when the masses judge a cadre, they judge him not only by what he says, but also by what he does. When a cadre wants the masses to do a certain thing, he should personally do it first. When a cadre does not want the masses to do a certain thing, he must absolutely not do it himself. "When those above behave worthily, those below will follow them even if no order is issued. When those above behave unworthily, those below will not follow them even if an order is issued." To uphold the authority of the departments in charge of ideological and political work, the departments concerned should rely on their effective and creative work. Comrades working in ideological and political departments must have self-esteem and self-confidence, and strive to become stronger. They should gradually establish their prestige and authority in their creative work.

10. We should regard social benefit as the sole criterion for testing all social activities. We should uphold the four basic principles, and oppose bourgeois liberalization. We should serve the general task and aim of the party, and train socialist new people who have ideals and morality and who observe discipline.

This is the starting point and the end-result of our ideological and political work in the new period. Spiritual production should take social benefit as its sole criterion. This is determined by the nature of our party and socialist system, and is independent of man's subjective will. We should use our achievement in work to encourage people to go all out to make progress, and kindle their enthusiasm for the four modernizations so that they have a lofty moral character and mental outlook. We should on no account let feudal and capitalist decadent ideology corrupt our people and poison our youth. The four basic principles are incompatible with bourgeois liberalization. To uphold the four basic principles, we should resolutely oppose the propaganda of bourgeois liberalization, namely the propaganda of the capitalist road. Our departments in charge of propaganda, culture, education, public health, and publication should on no account regard money as everything, or forget all moral principles at the sight of profits. We should acquire correct guiding thinking for our vocational work, produce first-rate products, do first-rate work, and strive to achieve first-rate effects in the course of strengthening the building of spiritual civilization.

SHANXI LEADERS MEET WITH LOCAL PLA LEADERS

HK010201 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Excerpts] On the afternoon of 31 January, the provincial CPC Committee and government invited responsible comrades of the provincial military district and PLA units stationed in Shanxi to a forum to express the close feelings between Army and people and discuss plans for developing Shanxi. Governor Wang Senhao spoke on the province's achievements in 1985 and work arrangements for 1986.

Li Ligong and Wang Senhao presented brocade banners to the provincial military district and PLA units stationed in Shanxi.

Present at the forum were other leading comrades of the provincial CPC Committee, Advisory Commission, People's Congress, and government Wang Jiangong, Ruan Boshe , Bai Qingcai, Zhang Changzhen, Jia Jun, and (Zhang Yemin); and leading comrades oi the provincial military district and PLA units stationed in Shanxi (Luo Jihui), (Qi Lianyin), (Li Zhong), (Mei Xizngsheng), (Li Wensheng), (Han Ruizhi), (Wen Gang), (Ehen Kengjun), (Lin Gengqir), (Li Akun), (Wu Xuetong), (Jia Huatang), (Hu Weiyi), and (Zhou Qingfu).

SUN WEIBEN AT CLOSING OF HEILONGJIANG CONFERENCE

SK300755 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 29 Jan 86

[Text] The provincial rural work conference ended on 29 January. The conference put forth general demands for the province's rural work, calling for efforts to conscientiously implement the guidelines of the 1986 Central Document No 1 and the province's stipulated rural policies, to consolidate and digest the existing reform achievements, to further readjust the rural production structure, to strengthen agricultural capital construction, to promote agricultural technical transformation, to boldly develop the commodity economy, and strive to realize the fighting goal of restoring production following a year of disasters.

At the 5-day provincial rural work conference the participants studied and discussed the 1986 Central Document No 1 and the speeches of the central leading comrades at the national rural work conference, analyzed the province's rural situation, and in line with the guidelines of the provincial CPC Committee work conference held last year, worked out plans for this year's rural work.

The conference commended and awarded the counties, plants, bureaus, and advanced agriculture-oriented units which made remarkable achievements in developing the rural commodity economy in 1985. Chen Yunlin, deputy secretary of the provincial CPC Committee, delivered a work report at the conference.

The conference pointed out: Rural reform has moved from a period of sharp change into a stage of consolidated, deep and perfect development. To cope with such a change, this year we should prominently grasp the following four tasks well:

1. We should continue to improve the contract purchase system. All localities should grasp well grain and hog contract purchases. The vegetable planting acreage in the outskirts of cities should account for some 60 percent of the total planted acreage. The sales of vegetables by the state vegetable departments must account for more than 60 percent of the total amount of vegetables on the markets. Governments at all levels should implement the contract purchase system in places where necessary before the spring plowing begins.

2. We should conscientiously solve the problem that the circulation channels are not smooth enough. We should do a good job in reforming the supply and marketing cooperatives and credit cooperatives and open up some new commodity circulation channels and new forms of commercial activities.

3. We should improve and develop the cooperative economic units. At present, the most practical and pressing demand of peasants is to do a good job in all kinds of socialized services throughout the whole course of production. First of all, we should further improve regional cooperative organizations, and improve the dual-operational system of integrating unified operation with decentralized operation. We should grasp the prominent links in commodity production and actively develop all kinds of new-type cooperative service and economic organizations. We should also attend to reforming grass-roots agricultural units and establishments. The direction of reform is to consider service as our sole purpose instead of profits.

4. We should continue to readjust the rural production structure, adopt various measures to ensure a stable increase in grain production, guard against a new downward trend in animal husbandry, and continue to healthily develop the township enterprises.

At the conference Sun Weiben, secretary of the provincial CPC Committee, gave a speech on building spiritual civilization in the rural areas.

Sun Weiben said: In developing the rural commodity economy and the agricultural productive forces, we should closely integrate them with the building of spiritual civilization in the rural areas. In building the rural spiritual civilization, at present we should prominently grasp education on the current situation and policies among the broad masses of peasants and the rural grass-roots cadres. Last year our provincial agricultural front suffered disasters, which brought great difficulties to the people. We should urge the people to see clearly the main trend of the current situation, proceed from the actual local situations, actively analyze the unfavorable factors and the favorable conditions, promote the spirit of the foolish old man, rely on their own efforts, and strengthen their confidence in winning victory.

Sun Weiben pointed out: In building the rural spiritual civilization, we should focus our attention on achieving a fundamental turn for the better in party style and social conduct. The rural leading comrades at all levels should serve as examples and do a good job in passing through the five barriers -- namely the money barrier, power barrier, the employment barrier, the human relationship barrier, and the honesty barrier -- and play an exemplary role in areas within their juristictions.

Sun Weiben emphatically pointed out: In building the rural grass-roots organizations, we should first grasp the building of grass-roots party organizations. Prior to spring plowing, all localities should concentratedly train the rural grass-roots cadres in the course of conducting party rectification and help them master more skills for doing their work well under the new situation in order to meet the needs of developing the rural commodity economy.

SUN WEIBEN AT HEILONGJIANG NATIONALITIES CONFERENCE

SK300647 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 29 Jan 86

[Text] The provincial nationalities work conference, which ended on 29 January, called on all minority areas in the province to vigorously develop the economy during the Seventh 5-Year Plan period with an aim to effecting a sustained and steady increase in their total industrial and agricultural output value and to make their industrial and agricultural output value increase at a yearly average rate slightly higher than the average provincial one. The advanced minority areas should basically popularize 9-year compulsory education and strive to lower the incidence of tuberculosis to the average provincial rate of 0.6 percent. Thirty percent of the minority villages and cultural, educational, and public health departments at the grass-roots level in the province should build themselves into civilized villages or departments.

Sun Weiben, secretary of the provincial CPC Committee, and He Shoulun, vice governor of the province, attended and successively addressed the conference.

CHANGCHUN CITY CRACKS CASE INVOLVING SWINDLING

SK250446 Changchun Jilin Provincial Service in Mandarin 1030 GMT 24 Jan 86

[Text] Changchun City recently cracked an extraordinarily appalling case involving swindling. The group of swindlers headed by (Cui Changjiang) fraudulently obtained nearly 18 million yuan in renminbi during the past year. Of this sum, some 8 million yuan was already spent or divided up among themselves. (Cui Changjiang), (Wang Guangyi), and seven other swindlers were arrested by judicial organs according to law.

In January last year the manager of a trading company of Liaoning Province came to Changchun to buy rolled steel, and signed a purchase-marketing contract with (Cui Changjiang). Instaed of sending rolled steel to the other contracting party, (Cui Changjiang) regarded the 1 million yuan paid in advance as his own and spent it. During this period, a first-level station of the China Electric and Machinery Equip- Company intended to assemble cars in Changchun. (Cui Changjiang) forged numerous documents to cheat and fraudulently obtain another 10 million yuan of car assembly funds. (Cui Changjiang) and other people also signed a group of rolled steel purchase-marketing contracts with more than 10 units in and outside the province to swindle them out of their advance payments, totaling more than 5.5 million yuan. The major reasons why (Cui Changjiang) and other persons were able to swindle people out of so much money are that some party and government leading cadres were intent on nothing but profit, were weak-willed, and departed from principles. (Wang Guangyi), former deputy director of the second commercial sub-bureau of the (Nanguan) District of Changchun City; (Xing Huimin), former responsible person of the general office of the provincial court, and some personnel of the Changchun City notarial office all once gained benefits from (Cui Changjiang) and gave the green light to his swindling activities. Now (Wang Guangyi) has been arrested and is due to be punished according to law, and (Xing Humin) has been expelled from the party and handed over to judicial organs. Possible criminal charges against other persons implicated will also be investigated.

JILIN'S GAO DI ATTENDS CPC RURAL WORK CONFERENCE

SK291030 Changchun Jilin Provincial Service in Mandarin 2200 GMT 28 Jan 86

[Text] At the provincial rural work conference which ended on 28 January, the provincial CPC Committee put forward the following major tasks for the 1986 rural work: Penetratingly carry out rural economic reform, strive to restore the 1986 grain output to that before the natural disasters, and greatly develop animal husbandry and town and township enterprises.

Held by the provincial CPC Committee, the provincial rural work conference was devoted to implementing the guidelines of the central rural work conference and the provincial CPC Committee work conference, discussing matters concerning rural reform, and making arrangements for work in 1986. Attending the conference were comrades in charge of agricultural work in various cities, prefectures, autonomous prefectures, and counties; and responsible comrades of pertinent departments at the provincial level. Comrades Gao Di, Wang Xianjin, and Wang Jinshan spoke at the conference.

The conference made arrangements for 1986 work on the basis of comprehensively summing up the 1985 rural work and fully affirming the good rural situation in our province. The conference emphatically pointed out: The CPC Central Committee and the State Council have attached great importance and placed many hopes on our province's grain production, and have demanded that our province restore agricultural production in 1986 to that before the natural disasters and strive to top 30 billion jin in grain output this year. Because our province has many favorable conditions, it is completely possible for us to fulfill this task. We must clearly note, however, the task for restoring the 1986 grain output to that before the natural disasters will be very arduous. We must adopt feasible measures in the fields of ideology, work, and policy and strive to restore the grain output to that before natural disasters in 1 year.

The measures adopted by the provincial CPC Committee and the provincial prople's government are as follows:

1. We should stabilize the grain-growing acreage and maintain the proportion of high-yield crops.

This year we should rationalize the distribution of grain crops in line with the demand of ensuring grain output at 30 billion jin. Corn is one of the advantages of our province. We should retain this advantage. If possible, all localities should appropriately expand corn-growing acreage, strive to increase the per-unit yield and stabilize the gross yield, vigorously develop rice production, and appropriately increase the acreage devoted to soybeans. In terms of paddy rice, the growth rate of last year should be maintained. This year the paddy fields should be increased by 650,000 mu.

2. We should formulate policies to encourage and mobilize the peasants' initiative in growing grain, perfect the grain-ordering contracts, and publish as early as possible the amount, varieties, and prices of grains to be purchased by order. The amount of grains to be purchased by order should be maintained at the 1985 figure -- 12 billion jin -- and this amount will remain unchanged for another 2 years. Corn, paddy rice, soybeans, and wheat will be purchased by order, but sorghum and millet will not. The basic amount of rice to be purchased by order will be cut appropriately, that of corn will be increased, and that of soybeans and wheat will remain unchanged. As for the portion covered by ordering contracts, the price of corn should be calculated at a 70:30 ratio, that of rice and wheat by a 80:20 ratio, and that of soybeans should be restored to the original purchasing price. As for the portion not covered by contracts, the prices of corn, rice and wheat can be changed according to market demand. When market prices are high, these grains will be purchased on a negotiated basis at prices higher than the previous planned purchase prices; when market prices are low, they will be purchased at prices not higher than the previous planned purchase prices. The price of soybeans not convered by contracts can be changed according to market demand, but no protective prices will be given.

As for villages along the Sino-Soviet border areas, their grain will be purchased without limit at above-quota prices. The policy of linking grain with fertilizer will be implemented. Fairly priced quality chemical fertilizers will be distributed by the province in line with the basic amount of grain to be purchased by order. In purchasing corn which can be exported, subsidies will be given to sellers in addition to the contracted prices. Grain departments should vigorously expand their grain storage capacity and try every possible means to reduce the amount of grain stored by peansants for the state on a commission basis. Beginning this year, remuneration to peasants who have stored grain for the state on a commission basis should increase to the proper extent. Those areas that develop town and township enterprises in a relatively quick manner and gain fairly high income from sideline occupations should release some money to subsidize grain production. Efforts will be made to lighten the peasants' burden and change the method of apportioning the burden according to field acreage. From now on, except for the agricultural tax which should be paid according to the land, all other burdens should be reasonably apportioned in line with the labor force, number of persons, and income. Peasants loans for grain production should be ensured, and restrictions on granting loans should be appropriately reduced for poverty-stricken and disaster-afflicted households.

3. We should depend on science to increase incomes and popularize the technologies of reasisting low temperatures and promoting early maturing.

4. We should attend to building farmland water conservancy projects, focusing on water-logging control projects.

The conference pointed out: Agriculture is the foundation, but animal husbandry is also included in agriculture. Leaders at all levels in all localities should pay attention to animal husbandry, just like they do in grasping agriculture.

During the Seventh 5-Year Plan period our province should build four livestock commodity bases. In the course of building the livestock bases, we should vigorously develop animal husbandry specialized households in order to give impetus to tens of thousands of other households. This year in developing animal husbandry we should vigorously raise cattle and sheep on the premise of continually paying attention to hog and poultry growing. Hogs should be purchased on a contract basis. Hog prices can be adjusted according to seasonal differences, on the condition that the annual general price will not change; but price fluctuations between peak and off seasons cannot exceed 10 percent. To increase the slaughter rate of hogs and raise more lean-meat hogs, we will implement new procurement and price calculating methods beginning from 1 April this year.

The conference pointed out: We should pay attention to town and township enterprises, just like we do in grasping urban industry. This year we should top 5 billion yuan in the total output value of town and township enterprises, and 450 million yuan in profits. In developing town and township enterprises, we should mainly develop the production of agricultural products, the processing industry, the storage trade, the packaging trade, and the transport industry in line with the principles of basing ourselves upon agriculture and serving agriculture. We should vigorously develop township and village enterprises in the course of encouraging individuals to combine in association. Beginning from this year, the bonus taxes paid by town and township enterprises should be turned over to township financial department, and should be spent on developing town and township enterprises. The supply of raw and semifinished materials needed by town and township enterprises should be brought into line with the plan, and the supply quotas for these materials should be increased gradually.

The conference pointed out: This year we will penetratingly carry out rural reform, with the focus on reforms in the circulation and service systems, will perfect commodity purchase and selling contracts and the output-related contracted responsibilities system, will improve the duel management system of combining the unified management with separate management, and will vigorously develope the specialized and cooperative economic organizations. The conference also discussed ways to support poverty-stricken households and areas.

GAO DI ATTENDS JILIN SPRING FESTIVAL PARTY

SK310550 Changchun Jilin Provincial Service in Mandarin 1030 GMT 30 Jan 86

[Text] A Spring Festival party was held this afternoon at the auditorium of the organ of the provincial CPC Committee for the Taiwan compatriots and the family members of our compatriots residing in Taiwan. Attending the party were leading comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial people's government, and the provincial CPPCC Committee, including Gao Di, Wang Xianjin, Wang Zhongyu, Wang Daren, Liu Jingzhi, Dong Su, Gao Wen, Zhang Fengqi, Geng Yuelun, and Cai Qiyun. Also attending were Li Diping and Yu Lin, retired veteran cadres, and responsible comrades of the provincial federation and league of Taiwan compatriots.

On behalf of the provincial CPC Committee and the provincial people's government, Comrade Wag Zhongyu extended festive greetings to the Taiwan compatriots and their family members participating in the party. Then, he said: During the past year, CPC committees at all levels in the province have further implemented the policies toward Taiwan compatriots and the family members of our compatriots residing in Taiwan, thus kindling and mobilizing their patriotic zeal. Moreover, an increasing number of Taiwan compatriots have come to our province to visit relatives, sightsee, give lectures, and engage in trade.

In his speech, Comrade Wang Zhongyu called on the Taiwan compatriots in our province and the family members of our compatriots residing in Taiwan to continually carry forward the patriotic spirit, take advantage of all favorable conditions to expand contacts with their relatives and friends residing in Taiwan and abroad, and encourage their relatives and friends residing abroad and in Taiwan to return to their homeland -- Jilin -- to join the construction cause.

At the party, the (Changying) orchestra staged a brilliant performance.

LI GUIXIAN MAKES REPORT AT LIAONING CPC PLENUM

SK280835 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 26 Jan86

[Text] The sixth provincial CPC Committee held its second plenary session to study and discuss the speeches made by leading comrades among the central authorities at the central office cadres' meeting, and to study and plan for the province's work in 1986.

At the plenary session, Li Guixian, secretary of the provincial CPC Committee, made a report entitled "Clearly Understand the Current Situation, Adhere to Reform, and Strive for New Victories in Building the Two Civilizations." In his report, Comrade Li Guixian analyzed the good political and economic situations of our province. He pointed out: The Sixth 5-Year Plan period has already ended. During the past 5 years, under the guidance of the Marxist line since the 3d Plenary Session of the 11th CPC Central Committee, the vast number of party members, cadres, and the masses throughout the province have united to work hard, and thus created a new situation in which political stability goes hand in hand with economic prosperity. In 1985 we took an important step in building the spiritual and material civilizations, and the people throughout the province surmounted the difficulties caused by floods and waterlogging. Last year our grain output declined. But thanks to the readjustment of the production setup, the rural economy still developed steadily; the livelihood of the people in disaster-afflicted areas was stable; industrial production developed in a sustained, steady, and coordinated manner; the pace of technological transformation was accelerated; simultaneous increases were realized in the growth rate and economic results; fresh headway was made in the economic structural reform and in opening ourselves to the outside world; and progress was made in education, scientific and technological, cultural, public health, and sports undertakings. All of this has laid a good foundation for the economic and social development of our province during the Seventh 5-Year Plan period.

Meanwhile, the situation on the ideological and political fronts was good, too. The ideological and political work focusing on the education of having lofty ideals, moral integrity, knowledge, and a sense of discipline developed continually and penetratingly; the atmosphere of stressing ideals and abiding by discipline prevailed in society; some results were achieved in rectifying party style; some improvements were made in social order and public security; and, in the course of combating floods and carrying out rescue work, in particular, the majority of party members and cadres took the lead in sacrificing themselves for the sake of others and fought bravely together with the people in disaster areas. This shows that our party has taken root among the masses and is combat-worthy, and the main train of the party contingent is good.

Having analyzed the current situation, Comrade Li Guixian set forth the tasks for 1986. He said: In this new year, we should lead the vast number of party members, cadres and the masses throughout the province to penetratingly implement the guidelines of the 3d Plenary Session of the 12th CPC Central Committee, the National Conference of Party Delegates, and the speeches made by leading comrades of the central authorities at the central office cadres' meeting; to continually adhere to the principles of opening to the outside world and invigorating the domestic economy; to vigorously built the spiritual civilization in the course of attending to the economic construction; and to achieve success in reforming the urban and rural economic structure, carrying out technological transformation of the existing enterprises, straightening out party style,

effecting a fundamental turn for the better in party style and social atmosphere, and building leading bodies. He emphatically stressed: In straightening out party style, we should pay attention to the exemplary role of the organs at the provincial level, and vigorously strengthen the political and ideological work.

Comrade Li Guixian said: In this new year, we should ensure that the new habits, atmosphere, standards and achievements are widely popularized in Liaoning, strive to further improve party style and social practice, and make great efforts to score outstanding achievements in the fields of reform, open policy, renovation, and development.

The plenary session endorsed the report of Comrade Li Guixian. Veteran Comrades Dai Suli and Xu Shaofu spoke at the session. They offered some valuable suggestions for building the leading bodies and straightening out party style.

The plenary session was held from 22 to 26 January.

LIAONING BANS COLLECTION OF UNWARRANTED FEES

SK281112 Shenyang LIAONING RIBAO in Chinese 9 Jan 86 p 1

[Text] During the past few years, the CPC Central Committee and the State Council have repeatedly issued injunctions to prohibit the extraction of unwarranted fees from enterprises and grass-roots units. Thus far, however, some localities, departments, and units have still turned a deaf ear to these injunctions, and refused to implement orders and prohibitions. These localities, departments, and units, proceeding from partial and local interests and from the interests of small groups, have taken advantage of their powers and positions to collect unwarranted levies from enterprises and grass-roots units. Worse still, such a malpractice is becoming ever more serious and runs so rampant that enterprises and grass-roots units cannot endure it. If this malpractice is not checked immediately, it will certainly disturb the progress of reform, sabotage production, corrupt party style and cadres, and discredit the lofty reputation of the party and the government among the people. To check this malpractice, the provincial CPC Committee and the provincial people's government have issued the following stipulations:

1. Except for those legal charges that should be collected from enterprises and grass-roots units as explicitly stipulated by the State Council and the provincial people's government, no departments are allowed to levy any fees or goods from any units or individuals. Those departments that are doing so must stop doing it.

2. All kinds of financial support should be controlled strictly. As for those projects that must be financially supported by enterprises and grass-roots units, approvals by the provincial or city people's governments are necessary.

3. All advisory instituions should be consolidated, and all unwarranted collection and division of advisory charges is strictly prohibited. When providing services for enterprises and grass-roots units, all state organs and the state-financed institutions should not collect any fees on the pretext of rendering services and offering advice. Those state organs and institutions that have already levied unwarranted frees from enterprises and grass-roots units should compensate for the fees with their professional allocations, return the money to the units from which it was collected, or deliver the money to the financial department.

Those that have already spent such fees on buying houses and other assets should sell the houses and assets and then return the money to the units from which it was collected. The fees that have already been divided up privately should also be returned. (Except for those units and individuals that professionally engage in advisory work), all the advisory services units should give advisory services to others during their sparetime after fulfilling the tasks assigned to them by the state and higher authorities. Such practices as abusing one's powers to serve one's own interests, taking advantage of one's position to seek personal gain, rendering fewer services but collecting more fees, and collecting fees even after not rendering any services should be prohibited.

4. Presumptuously drawing up rules and regulations to wantonly collect fees and impose fines is strictly prohibited. The fees and penalties that are collected according to stipulations should not be connected with the economic interests of various departments, units, and individuals. Those who have already connected the former with the latter must separate them.

5. The fees collected in accordance with stipulations should all be regarded as extra-budgetary funds, and these funds should be earmarked for specified purposes. It is forbidden to privately change the use of such funds; still less should the funds be used wantonly on the pretext of improving the welfare facilities for workers and staff members. All the surplus funds should be delivered to the financial departments.

6. The financial, auditing, banking, price, and industrial and commercial administration departments are strictly prohibited from joining with or supporting other units to fix excessive service charges and collect unwarranted extra fees. These departments are strictly forbidden to take advantage of their powers and positions to render paid services.

7. Enterprises and grass-roots units are entitled to resist unauthorized apportionment, fees, and penalties. As for those who put pressure on and create difficulties for the units that resist the unreasonable levies, their leaders should be held to account.

8. Leading organs must take the lead, and adopt resolute measures to actually check and solve the problems of collecting unwarranted extra fees from enterprises and grass-roots units.

SHENYANG RALLY SENTENCES 14 CRIMINALS TO DEATH

SK011127 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 30 Jan 86

[Excerpts] This morning, the Shenyang City Intermediate People's Court held a rally at the provincial gymnasium to publicly pronounce judgment. Twenty-one criminals who seriously endangered public security were strictly punished according to law. A total of 200,000 people throughout the city listened to the live relay of the rally at 150 assembly sites. Recently, some criminals in Shenyang City, in particular those released after serving their terms of imprisonment or released from reeducation who were not transformed well, seriously damaged social order and endangered the safety of the people's lives and property by committing murder and robbery and devastating women.

At the rally, 14 criminals were sentenced to death, and 7 were sentenced to death with a 2-year reprieve, life imprisonment, or fixed-term imprisonment.

LANZHOU MEETING ON BUILDING, DEFENDING NORTHWEST

HK270600 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 22 Jan 86

[Text] Principal party, government, and Army leaders of five provinces and regions in northwest China gathered in Lanzhou to discuss a great plan for exploiting, building and defending the great northwest. The meeting, approved by the General Offices of the CPC Central Committee, the State Council and the CPC Central Committee's Military Commission, was sponsored by the Lanzhou Military Region CPC Committee.

At the meeting, responsible comrades of the Lanzhou Military Region; of the Xinjiang Military District, all provincial military districts, and all group armies under the military region; and of the Lanzhou Military Region Air Force reported and briefed on how local party committees and governments care for and support the Army in reforming the Army structure and streamlining armed forces and on how they supported the Army and gave preferential treatment to families of revolutionary armymen and martyrs. They expressed heartfelt thanks to local party committees, people's governments, and people of various nationalities for their deep love for the Army.

In their speeches the leading comrades of local authorities warmly praised the people's own Army for its great achievements in conscientiously serving the overall situation, in dealing with emergencies and providing disaster relief, in supporting local construction, in the drive of armymen and civilians jointly building spiritual civilization and cultivating talented people for both Army and civil use, and in greening and defending the great northwest. They said that the PLA is worthy of the title of heroes in defending the motherland and vanguards in building the two civilizations.

At the meeting the principal party, government and Army leading comrades enthusiastically and sincerely exchanged their thoughts on implementing the spirit of the National Conference of Party Delegates and carrying out the several important instructions issued by central leading comrades on exploiting, building, and defending the great northwest. The comrades from the Army said that they will have regard and respect for themselves, double their efforts, and use their practical action of building and defending the great northwest to repay the care and support for the military region, military districts, and Armed Forces expressed by party committees, governments, and people of various nationalities in the five provinces and regions in northwest China.

Party and government leading comrades of the five provinces and regions said that they will express more care and support for the people's own Army, help the Army on their own initiative to solve various difficult problems, and give whatever assistance that the Armed Forces may need in solving their practical problems.

Amid an enthusiastic and friendly atmosphere, both the Army and local comrades, proceeding from the overall situation of jointly exploiting, building, and defending the great northwest, discussed the problems of putting people's Armed Forces departments under local administration; armymen and civilians jointly building spiritual civilization and training people for both Army and civilian use; Armed Forces support for construction of some key local projects; and greening the great northwest. They said that through the meeting Army and local comrades exchanged information, learned more about each other, coordinated their work, and cemented their relations. As a result, many problems can be solved more smoothly in the future.

Attending the meeting were principal leading comrades from the Lanzhou Military Region, Shaanxi Province, Ningxia Autonomous Region, Qinghai Province, Xingjiang Autonomous Region, and Gansu Province, including Zhao Xianshun, Li Xuanhua, Li Xipu, Li Xuezhi, Hei Boli, Yin Kesheng, Gabulong, Amudong Niyazi, (Jin Yunhui), Li Ziqi, and Chen Guangyi. The meeting opened on 20 January and ended on the morning of 22 January.

QINGHAI CIRCULAR ON STUDYING LEADERS' SPEECHES

HK291442 Xining Qinghai Provincial Service in Mandarin 2330 GMT 25 Jan 86

[Text] On 20 January, the provincial CPC Committee issued a circular urging all party members and cadres, particularly the leading cadres, to study, and act in an in-depth way on the spirit of the central leaders' speeches at the meeting of central organ cadres. They should do better in working and studying hard and in handling matters efficiently and in a down-to-earth manner. They should take a new look and set examples for the province.

The circular urged: Party and government organs at and above the city level must concentrate their efforts during the Spring Festival on organizing party members and cadres, particularly members of the leading groups, to seriously study the central leaders' speeches. They should seek a common understanding by using the spirit of the speeches. Focusing on reforms and opening-up, they should correctly understand the present situation and further do well in the province's tasks. At present, we should strive to do well in helping ourselves by engaging in production, in extricating the poor from their poverty-stricken state, and in reforming the economic structure and building the socialist spiritual civilization. We should strive for new breakthroughs and to create a new situation.

The circular said: Following the 3d Plenary Session of the 11th CPC Central Committee, the province has constantly improved its party work style and general mood of society. Most of the party members and cadres roused themselves and worked hard. However, there are still problems in the party and organ work style. Some people have had their thinking about serving the people blunted. For the sake of their personal interests, they are often preoccupied with their personal gains and losses and always bargain. Some pursue undeserved reputations, go in for ostentation and extravagance, and do not have the thinking of struggling hard. Some units know nothing about the situation, engage in bureaucratism, and are inefficient. Some people indulge in liberalism and pay no attention to principles, the overall situation, or unity. Moreover, they do no work but are fastidious about the mistakes of their industrious colleagues. They are keen on hearsay but do not observe discipline. Also, the situation of extravagant spending and violating discipline is very serious in some areas.

The circular urged: Starting with the leading organs and leading cadres to the grass roots, we must resolutely investigate and correct mistakes while studying and discussing the documents. We must promptly correct the problems found. Leaders who are responsible for the problems should be bold in assuming their responsibilities. We must uphold the principle of handling major cases resolutely and continuously. In particular, we must be bold in tackling the tough cases of violating discipline concerning cadres at and above the county level. We must really strengthen our leadership and introduce the responsibility system for the work concerning party work style. In this study of the central leaders' speeches and correction of party and organ work style, the party committees and party organizations must make joint arrangements and the leading cadres must personally handle the work. They should do more work and speak less. Through the improvement of party work style, they should promote the building of a united, civilized, and rich Qinghai.

BEIJING URGES ESTABLISHMENT OF TIES WITH TAIWAN

OW310500 Beijing in Mandarin to Taiwan 1500 GMT 29 Jan 86

[Commentary by station commentator (Zhong Ming): "What Is Wrong With Establishing Postal, Transport, and Trade Relations?"]

[Text] The Taiwan authorities have avoided an exchange of postal, transport, and trade services with the mainland, which is an inevitable trend of the times. They have taken great pains to delay the process of establishing postal, transport, and trade relations, including a recently issued ban on advocating so-called illusions in such relations.

What is wrong with an exchange of postal, transport, and trade services. Will it bring natural or man-made calamities? No. It will only allow the people on the two sides of the Strait to exchange postal, transport, and trade services. It is a long-cherished aspiration of the hundreds of millions of compatriots on both sides of the Strait. What is wrong with allowing relatives and old friends on both sides of the Strait -- whose ability to communicate with each other has been obstructed because of this unfortunate separation -- to correspond with each other again to revive their friendship to their hearts content and alleviate the pains of separation they have suffered for several decades? What is wrong with allowing compartiots on the two sides of the Strait, who are flesh and blood to each other, to freely exchange visits and happily tour various places on the good earth of the motherland so as to dispel the shadow of long separation in their hearts and foster close feelings between compatriots of the same nation? Again, what is wrong with allowing the economies on both sides of the Strait to exchange commodities to help supply each other's needs and enliven the market, which would be beneficial to both sides and harmful to neither side? Why are the Taiwan authorities uneasy and fearful of all these exchanges aimed at making the nation strong and prosperous and realizing the motherland's reunification as quickly as possible? Why do they want to become the [word indistinct] of the people?

As a matter of fact, there have been indirect postal, transport, and trade exchanges between the two sides of the Strait over the past few years. Exchanges of letters and trade through other countries and regions, and frequent contacts overseas are open secrets to everyone. Indirect exchanges at the present are establishing the conditions for direct exchanges in the future; these indirect exchanges represent a transitional period for direct exchanges. It is only a matter of time. Therefore, the Taiwan authorities should face up to that establishing postal, transport, and trade relations is a trend of the times.

Under such circumstances, the ban on advocating the so-called illusions in establishing such relations cannot obstruct the process of establishing such relations. The ban will certainly invite aversion from the people and be branded as ignorant of reality. Honestly, no matter in what area the exchange is made, it essentially facilitates the exchange of feelings, the close feelings between relatives and friends, as well as long-standing feelings of the same nation. The ban on establishing postal, transport, and trade relations is unerasonable and cannot be tolerated by human feelings. Those in power in Taiwan should clearly realize that an exchange of postal, transport, and trade services is a product of the times, and the will of the people, which cannot be impeded by any force.

CONCERN ABOUT S. KOREAN RECOGNITION OF PRC NOTED

OW311457 Taipei CNA in English 1434 GMT 31 Jan 86

[Text] Taipei, Jan 31 (CNA) -- The Government of the Republic of China is very much concerned about foreign wire service reports that the South Korean Government hopes to restore diplomatic relations with the Soviet Union and Communist China through cross recognition between the United States, Japan, the Soviet Union and Red China and North and South Koreas, Cheyne C.Y. Chiu, spokesman for the Ministry of Foreign Affairs, said Friday. He added that his ministry, through the ROC Embassy in Seoul, is checking on these reports.

Chiu made the statement in a press conference held at the Government Information Office in the morning when asked about the cross recognition announcement reportedly made by South Korean Foreign Minister Yi Won-kyong. According to the spokesman, the Seoul Government has repeatedly mentioned the idea of cross recognition in recent years. "The Foreign Ministry is very much concerned about this and is contacting our embassy in Seoul, trying to check on the reports and understand the facts," he said.

Foreign wire service reports said earlier this week that South Korean Foreign Minister Yi when interviewed, publicly stated that to assure peace in the Korean peninsula, South Korea hopes that diplomatic relations between the United States, Japan and North Korea and those between the Soviet Union, Communist China and South Korea will be restored through cross recognitions among the six nations.

PREMIER YU REAFFIRMS ANTICOMMUNIST POLICY

OW040351 Taipei CNA in English 0232 GMT 4 Feb 86

[Text] Taipei, Feb. 3 (CNA) -- The Republic of China will never change, under any situation, its basic stand of "no compromise, no contacts and no talks" with the Chinese Communists, Premier Yu Kuo-hwa said Monday. Meeting domestic and foreign reporters Monday at the Executive Yuan auditorium, Premier Yu pointed out that the ROC's political and economic achievements in implementing the three principles of the people in the national bastion on Taiwan have not only been acknowledged by the international community, but also become the ideal to which mainland compatriots aspire. This broadly held aspiration of the mainland people has become a strong pressure on the Chinese Communist rulers, Yu said.

Facing the pressure, the communist authorities are attempting to win back the people's support, Yu said, by either adopting the surface forms or shallow examples of what has been successful in the ROC. The Chinese Communists will never drop their ideology's political and social systems although they have been forced to adopt some changes, Yu pointed out.

He said, therefore, the totally different standards of living on the two sides of Taiwan Strait will cause the people on the mainland to finally rise against the communist rulers.

On the problem of Hong Kong, Yu said the government, if necessary, will take flexible measures to help Overseas Chinese specialists, such as lawyers, doctors and engineers, in Hong Kong and Kowloon to come to Taiwan to join the national recovery mission. He said the Executive Yuan's ad hoc Hong Kong group has studied various possible steps to help Chinese people in Hong Kong and Kowloon to return to settle, to work and restart their businesses here.

TAIWAN NOT TO ACCEPT CHANGE OF NAME AT ADB

OW031051 Taipei CNA in English 1035 GMT 3 Feb 86

[Text] Taipei, Feb. 3 (CNA) -- Premier Yu Kuo-hwa restated Monday the Republic of China will not accept change of its name in the Asian Development Bank [ADB]. If ADB admits the Peiping regime at the price of changing the ROC name in the organization, Yu said, "we will solemnly protest to ADB that this nation will absolutely not accept the change, so as to protect the nation's interest in the organization."

At a news conference Monday, Yu said ADB is a non-political regional banking organization. Its charter prohibits political interference with any of its policies; any new application for the ADB membership should not carry additional conditions, and a current member's interest and rights should not be affected by the admission of a new member, he stated.

The Republic of China is one of the founding members of ADB. Since then, the nation has been a loyal member and has had a good record in carrying out its duties, the premier said. Over the past years, there is no change in the nation's relations with ADB and its other members, he said. Therefore, he added, there is totally no reason for ADB to change the status and name of ROC membership.

Premier Yu also described as untrue a press report that Uruguay is planning to establish diplomatic relations with the Chinese Communists next year. Relations between the Republic of China and Uruguay have been always cordial, their cooperation is expanding, he said. Since the inauguration of the new Uruguayan Government, the cooperative programs have been positively underway, Yu said. Leading Uruguayan officials have visited this nation in the recent months to reflect the growing ROC-Uruguayan relations, he pointed out.

U.S. CONGRESSIONAL TRIPS, PRC ISSUES VIEWED

OW011621 Taipei CNA in English 0331 GMT 1 Feb 86

[Text] Taipei, Jan 31 (CNA) -- The recent visits by several American lawmakers to the Republic of China signified U.S. congressional efforts to establish a consensus on the future development of cooperation between the two countries, Foreign Ministry spokesman Cheyne J.Y. Chiu said Friday. "The visits will certainly have important influence on the development of ROC-U.S. relations," the spokesman said in a press conference at the government information office.

Chiu said that several influential U.S. senators and congressmen have visited Taipei since the beginning of this year. The American lawmakers conveyed to the ROC Government U.S. congressional support for further expansion of Sino-American ties. They also brought back to the U.S. information about ROC's stances and expectations on the promotion of bilateral relations, Chiu pointed out.

On the demonstrations against nuclear weapon tests in Sinkiang staged by students of ethnic nationalities on the mainland late last year, Chiu said the protests reflected the ethnic groups' dissatisfaction with the Peiping regime's suppressive rule and military buildup policy. He noted that minority-group students staged a series of protest demonstrations in such major cities as Peiping, Shanghai and Urumchi last December, asking the communist regime to immediately stop nuclear weapon tests. They also asked Peiping authorities to relax birth control policy as well as implement democracy and free enterprise system. "The demonstrations signify failure of Peiping's minority policy," Chiu asserted.

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China

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Vietnamese Cease-Fire Proposal

OW051220 Beijing XINHUA in English 1212 GMT 5 Feb 86

["China Prepared To Punish Vietnamese Invaders, Says Foreign Ministry Spokesman" -- XINHUA headline]

[Text] Beijing, February 5 (XINHUA) -- A Foreign Ministry spokesman said here today that China is well-prepared to mete out punishment to any Vietnamese invaders. He made this statement here this afternoon in response to questions whether there would be fierce fighting along the Sino-Vietnamese border during the Spring Festival and whether China still reserves the right to teach Vietnam a lesson.

The spokesman said the fact is that Vietnam is continuing its military provocations against Chinese border areas and is preparing a larger military adventure. Under such circumstances, he said, "The Chinese frontier guards are on alert and well-prepared to mete out punishment to any invaders." "As for when and on what scale China will counterattack," he said, "it will depend on the time and scale of Vietnam's intrusion and provocation."

Commenting on a proposal of cease-fire during the Spring Festival by Vietnamese authorities, the spokesman said: "It is void of practical significance. The fact is that Vietnam never stops its military provocation against China."

Condemns Israeli Interception

OW051140 Beijing XINHUA in English 1130 GMT 5 Feb 86

[Text] Beijing, February 5 (XINHUA) -- The Chinese Government today strongly condemned Israeli authorities for dispatching jet fighters to intercept and force-land a Libyan passenger plane en route to Syria yesterday.

The Chinese government regarded this as "a terrorist act which wantonly tramples upon the basic norms of international law". This was stated by a Chinese Foreign Ministry spokesman at the weekly press briefing here this afternoon.

Gu Mu to Visit Singapore

OW050954 Beijing XINHUA in English 0945 GMT 5 Feb 86

[Text] Beijing, February 5 (XINHUA) -- Chinese State Councillor Gu Mu will pay a working visit to Singapore in mid-February to discuss matters concerning cooperation between the two countries in the fields of tourism and civil aviation and will study Singapore's economic construction. This was announced by a Foreign Ministry spokesman at the weekly press briefing here this afternoon.

The spokesman also confirmed that State Councillor and Foreign Minister Wu Xueqian will visit Japan this year at the invitation of Japanese Foreign Minister Shintaro Abe. The visit was agreed upon during Abe's visit to China last year, he said. Specific itinerary is under discussion.

Finnish, Norwegian Visits

OW051148 Beijing XINHUA in English 1122 GMT 5 Feb 86

[Text] Beijing, February 5 (XINHUA) -- Prime Minister of the Republic of Finland, Mr. Kalevi Sorsa, will pay an official visit to China in September at the invitation

of Chinese Premier Zhao Ziyang, a Foreign Ministry spokesman said at a weekly news briefing here today. He said, since the establishment of diplomatic relations between China and Finland in 1950, the two countries have enjoyed good relations. In 1984, the total value of trade between the two countries exceeded 100 million U.S. dollars for the first time and an agreement on investment protection was signed in the same year.

He also announced that Foreign Minister Svenn Stray of the Kingdom of Norway will pay an official visit to China from February 24 to March 1 at the invitation of the Chinese State Councillor and Foreign Minister Wu Xueqian. In recent years the cooperation between China and Norway in the fields of economy, trade, science and technology has been further developed, he added. During Foreign Minister Stray's visit, China and Norway will officially sign an agreement on avoiding double taxation.

XINHUA REPORTS SOVIET CRUISE MISSILES ON ETOROFU

HK051114 Beijing XINHUA Hong Kong Service in Chinese 0852 GMT 5 Feb 86

[Text] Tokyo, 5 Feb (XINHUA) -- SANKEI SHIMBUN reports today that since October 1985 the Soviet Union has begun deploying cruise missiles with nuclear warheads on Etorofu, north of Japan.

It is reported that surface-to-ship and surface-to-surface offensive SSC-1 cruise missiles, with a range of about 450 km, have been deployed on Etorofu. If the missiles are launched from Etorofu, the Senzai base in Hokkaido and the Misawa base in Aomori Prefecture would be within the range of its attack.

NO INCREASE PLANNED IN PRC OIL EXPORT IN 1986

OW041200 Beijing XINHUA in English 1155 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- China will not increase its total volume of oil export this year to help stabilize oil price on the world market, announced a Chinese official here today.

Zheng Dunxun, president of China National Chemicals Import and Export Corporation, said the move is designed to promote the dialogue and negotiations between the Organization of Petroleum Exporting Countries (OPEC) and non-oil exporting countries on the basis of taking each other's interest into account. He said that China has made progress in its oil industry, but its oil is mainly for domestic consumption and only a limited amount of oil is exported. He expressed his concern for the drastic drop in oil price on the world market, and said that China appreciates and supports the efforts made by OPEC to stabilize the oil price through negotiations with other oil producers.

EC READY TO RESUME TALKS WITH COMECON

OW010912 Beijing XINHUA in English 0732 GMT 1 Feb 86

[Text] Brussels, January 31 (XINHUA) -- The European Commission (EC) said today that it is ready to resume talks with the Council for Mutual Economic Assistance (Comecon). The readiness was expressed in letters which European External Relations Commissioner Willy de Clercq handed over today to Romanian Ambassador to EC Julian Vacarel, a commission spokeswoman said.

The letters -- one to Comecon secretariat-general in Moscow and one to the Romanian Government as the current Comecon president -- said the EC was willing to consider ways of establishing "formal relations" with Comecon which groups the Soviet Union, Poland, Czechoslovakia, Democratic Germany, Hungary, Romania, Bulgaria, Mongolia, Cuba and Vietnam.

The ties between EC and Comecon were suspended in 1980 amid growing East-West tensions over the Soviet invasion of Afghanistan. The EC also wanted to "normalize ties with each of Comecon's European member states" in parallel with the proposed new contracts with Comecon's secretariat-general. Today's letters were a reply to a letter from Comecon Secretary Vyacheslav Sychev last September inviting EC officials to visit the Soviet Union to work out a joint statement of intent on improving relations between EC and Comecon.

SOVIET UNION, ANGOLA SIGN ECONOMIC AGREEMENTS

OW310742 Beijing XINHUA in English 0709 GMT 31 Jan 86

[Text] Moscow, January 30 (XINHUA) -- The Soviet Union and Angola have signed several documents broadening economic cooperation between the two countries, the Soviet news agency TASS reported here today. The documents stipulated a number of projects including a meat-processing complex and several farm machine and tractor stations. The Soviet Union will supply Angola with motorcars and other products. The documents were signed during Angolan Planning Minister Lopo do Nascimento's visit to Moscow.

A report said that trade between the Soviet Union and Angola has primarily consisted of USSR economic aid to Angola. Angola has experienced an unfavourable balance in bilateral trade during these years. The trade volume reached 149 million roubles (186 million U.S. dollars) in 1984, with the Soviet exports totalling 146 million roubles (183 million U.S. dollars) and importing worth 3.1 million roubles (3.88 million U.S. dollars).

REAGAN ISSUES STATE OF THE UNION MESSAGE

OW051238 Beijing XINHUA in English 1230 GMT 5 Feb 86

[Text] Washington, February 4 (XINHUA) -- U.S. President Ronald Reagan said tonight, "Keeping America strong is as vital to the national security. as controlling federal spending is to our economic security." In this fifth State of the Union address to the Congress, Reagan devoted most of his speech to domestic problems, especially to reducing budget deficits, the number one controversial issue his administration and the Congress face this year. The U.S. President made it clear that he has no intention to cut the military spendings, although he said that the passage of Gramm-Rudman-Hollings act in the Congress last year "gives us an historic opportunity to achieve what has eluded our national leadership for decades, forcing the federal government to live within its means." He said that the budget for fiscal 1987 he is going to submit to the Congress would "meet the Gramm-Rudman-Hollings target for deficit reductions" Without sacrifices in defense, tax hike or hurting the "truly less fortunate." Reagan promised that he will achieve the target through economic growth and through cuts in nonessential domestic spending. For this purpose, he asked the Congress to give him a line-item veto this year so that he can have "the authority to veto the waste." The so-called "line-item veto" would empower the President to veto selective items within a bill without vetoing the whole bill. In the case of an annual budget passec by the Congress, he could retain what items he likes and kill what items he dislikes.

In other fields of domestic problems, Reagan revealed his intention to revise the current welfare and medical insurance systems, saying that he is charging the White House domestic council to present him by December 1, 1986, an evaluation of the welfare programs and a "strategy for immediate actions" in this respect. He said that he has also directed secretary of health and human services to report him by the end of the year with recommendations "on how the private and government can work together to address the problems of affordable insurance for those whose life savings would otherwise be threatened when a catastrophic illness strikes."

In his message, Reagan stressed the importance of enhancing the military strength, saying that the U.S. must be kept strong. "We have devoted five years trying to narrow a dangerous gap born of illusion and neglect. And we have made important gains." However, he said, "the threat from Soviet forces, conventional and strategic, from the Soviet drive for domination, from the increase in espionage and state terror remains great." "This is reality," he said, adding that "Closing our eyes will not make it disappear." The president called for support for his Strategic Defense Initiative, the so-called "star wars" program, saying that "a security shield can one day render nuclear weapons obsolete and free mankind from the prison of nuclear terror."

On the U.S.-Soviet relations, Reagan said: "It is my hope that our fireside summit in Geneva and Mr. Gorbachev's upcoming visit to America can lead to a more stable relationship." However, he stressed, "we cannot stroll into the future with child-like faith... Logic and history compel us to accept that our relationship be guided by realism -- rockhard, clear-eyed, steady, and sure." "If the Soviet Government wants an agreement that truly reduces nuclear arms, there will be an agreement," headded. On the record huge trade deficits facing the country, Reagan pledged he will continue to counter unfair trading practices, pry open closed foreign markets to U.S. goods and oppose protectionist legislation. "We have begun coordinating economic and monetary policy among our major trading partners," he said, adding that he has asked Treasury Secretary James Baker to undertake a study of a possible world currency conference and report to him by the end of the year.

JAPANESE VICE FOREIGN MINISTER SHINICHI VISITS

Meets Wu Xueqian

OW041136 Beijing XINHUA in English 1227 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met Japanese Vice-Minister of Foreign Affairs Yanai Shinichi here today.

Yanai Shinichi was in Beijing to take part in the sixth round of regular consultations between foreign affairs officials of China and Japan on February 3 and 4. According to sources here, during the consultations Chinese Vice-Minister of Foreign Affairs Liu Shuqing and Yanai Shinichi, his Japanese counterpart, had good talks on bilateral relations and international issues of mutual concern.

Meets Gu Mu

OW041202 Beijing XINHUA in English 1153 GMT 4 Feb 86

[Text] Beijing February 4 (XINHUA) -- State Councillor Gu Mu met Japanese Vice-Minister of Foreign Affairs Yanai Shinichi here this afternoon. Yanai Shinichi is in Beijing to take part in the sixth round of regular consultations between foreign affairs officials of China and Japan on February 3 and 4.

NAKASONE SAYS GORBACHEV SHOULD VISIT JAPAN FIRST

OW031129 Beijing XINHUA in English 1052 GMT 3 Feb 86

[Text] Tokyo, February 3 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone, who has received an invitation from Soviet leader Mikhail Gorbachev to visit Moscow, said today that Gorbachev should visit Japan first.

Nakasone made the remarks in replying to question raised by the opposition Japan Socialist Party during a debate in the House of Representatives. He said Gorbachev must come to Tokyo before he will go to Moscow because four Japanese premier have visited the Soviet Union and no Soviet head of Government has ever visited Japan. This time, he said, the Soviet Union should send its leader to Japan. During the Soviet-Japanese foreign ministerial talks held here last January, an agreement was reached to exchange summit visits.

JAPAN TRADE BALANCE FAVORABLE WITH PRC, OTHERS

OW311702 Beijing XINHUA in English 1444 GMT 31 Jan 86

[Text] Tokyo, January 31 (XINHUA) -- Japan registered a record surplus of 56 billion U.S. dollars in trade with the rest of the world in 1985, according to a statistics released by the Finance Ministry here today. The statistics showed that Japan's exports last year totalled 173.9 billion U.S. dollars, an increase of 3.4 percent over 1984, while its imports totalled 117.9 billion dollars, 4.9 percent less than the previous year. The country also scored a favorable balance in trade with the United States, the European Economic Community and China.

XINHUA ROUNDUP VIEWS PHILIPPINES BEFORE ELECTION

OW041634 Beijing XINHUA in English 1620 GMT 4 Feb 86

["Round-up: Philippines, Prior to Election " (by Chen Jiayong) -- XINHUA headline]

[Text] Manila, February 4 (XINHUA) -- With the February 7 presidential election of the Philippines only 3 days away, both candidates of the ruling party and the opposition have entered into the homestretch and are preparing for the last spurt. The question of primary concern is undoubtedly who will be the winner. Observers here, however, feel it's still too early to predict the result of the election.

President of the Philippines since 1966, Ferdinand Marcos was reelected as head of the country in June 1981. His office term, as the Constitution stipulates, is due to expire in June, 1987, but the president decided to cut it short in response to the growing domestic and foreign pressure and submitted himself to the snap election. The election campaign, which began December 11, 1985, has so far brought the president to 20 of the country's 74 provinces. His challenger, Corazon Aquino, widow of the assassinated opposition leader Benigno Aquino Jr., has toured 66 provinces, something that the president has been unable to do because of his health.

Marcos could have expected an easy victory had the opposition remained a divided force. However, the many fractions in the past have been united at present and have succeeded in filing one unified ticket at the last minute to constitute a real threat to the president's 20-year-old rule. Mrs. Aquino, though inexperienced as a politician, is by no means weak. The 53-year-old presidential candidate has drawn big and eager crowds wherever she campaigned. People want a change that she represents, she said. Observers here believe that many of the intellectuals, businessmen and professionals, and urban residents are likely to vote for her. The influential Catholic Church is also widely perceived to have been supporting the opposition.

On the other side, Marcos, with his almost unlimited campaign chest, is still strong in many aspects. The president has the mighty political machinery and controls the country's one million government employees, and the Armed Forces in particular. People believe that he will resort to all possible means to ensure his victory. Early this month, election-related deaths rose to 40 despite the strongly worded pastoral letter issued by the Catholic Bishops' Conference a week before, expressing "grave concern and great sadness" over electoral violence that "is threatening to escalate to a level never experienced before."

To make sure that no massive frauds will be conducted in the election, the National Citizens Movement for Free Elections, an organization officially credited as a citizens' arm, has mobilized some 500,000 people to monitor the polls and to conduct an advance count of ballots. Meanwhile, the United States has sent hundreds of observers and reporters to the country where Washington maintains two of its biggest military bases in Asia. One senior member of the American observer delegation disclosed that his government may even encourage a military takeover, if election frauds trigger social turmoils, the local press reported. The U.S. 7th Fleet came in the Philippine waters last week amidst the fear that any American interference in the internal affairs of the Philippines will increase the complexity of the country's troublesome situation.

People here have every reason to worry about the country's future to be marred possibly by more continued disturbances even after the February 7 election.

CAMBODIAN TROOPS MUTINY, KILL 30 SRV SOLDIERS

OW041011 Beijing XINHUA in English 0718 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- Some 30 Vietnamese soldiers were killed and 20 others wounded in the city of Takev in Kampuchea between January 25 and 27 when some 300 Heng Samrin troops in Phnom Penh opened fire against the Vietnamese, radio Democratic Kampuchea reported today. No detail about the fighting has so far been disclosed. The clash between the Heng Samrin and Vietnamese troops is continuing, the radio said.

On December 25 of last year when the Democratic Kampuchean National Army attacked the Vietnamese troops stationed in the city, some 200 Heng Samrin soldiers in Phnom Penh also joined the attack. As a result, a large number of Vietnamese troops were killed. The radio called on the National Army and guerrillas around the city to give material and moral support to the Heng Samrin troops in their just action. It was the fourth such reported mutiny by Phnom Penh troops in less than two months.

SRV INTRUDERS DRIVEN OUT OF EAST THAILAND

OW041606 Beijing XINHUA in English 1442 GMT 4 Feb 86

[Text] Bangkok, February 4 (XINHUA) -- All Vietnamese intruders in Thailand's eastern Ubon Ratchathani Province have been driven out of Thai territory, local press reported today. Quoting Army spokesman Major General Narudon Detpradiyut as saying yesterday, the report said that the Thai Army suffered substantial losses during the action. Narudon did not state when the intruders were expelled.

The Vietnamese intruded into Nam Yun District of the province on January 25 and occupied some hilly areas. The Thai Army launched a counterattack against the intruders on February 1. Despite the fact that the Vietnamese have been driven out of Thai territory, Narudon said, the Thai Army has to maintain vigilance as Vietnamese troops are occupying favorable terrains on the other side of the Thai-Kampuchean border.

U.S. CUTS MILITARY AID TO THAILAND FOR 1986

OW041125 Beijing XINHUA in English 0715 GMT 4 Feb 86

[Text] Bangkok, February 4 (XINHUA) -- U.S. military aid to Thailand for fiscal year 1986 will amount to 92.5 million U.S. dollars, 14.3 million U.S. dollars less than the previous year, it was learned here today. The U.S. military assistance to Thailand falls into four categories, namely, military assistance program, foreign military sales, international military education and training and economic support fund. Only training and economic support funds survived the cut this year. Last month the United States provided five million U.S. dollars worth of assistance to Thai villagers affected by the influx of Indochinese refugees.

An informed source said that the cut in the U.S. security aid to Thailand would be small in comparison with that to other recipient countries such as Morocco, Sudan, Panama. Despite the cut of security aid, the increased concessionality in the U.S. assistance package to Thailand would remain unchanged. The terms would include low interest rate of about five percent and 10-year grace and 20-year repayment period, the source added.

SRI LANKA HAILS MEDICAL COOPERATION WITH PRC

OW031630 Beijing XINHUA in English 1626 GMT 3 Feb 86

[Text] Colombo, February 3 (XINHUA) -- Sri Lankan President Junius Jayewardene expressed here today his appreciation of the cooperation between doctors of traditional Chinese medicine and Sri Lankan indigenous medicine in giving medical treatment to local people.

Receiving a four-member medical studying group from Huangshi City of China's Hubei Province, the president welcomed the establishment of a projected Chinese traditional medical treatment center here. Under an understanding reached in China last year between the two sides, the center, besides giving treatment, is to provide training for Sri Lankan doctors in traditional Chinese therapies and medicines, and to explore the possibility of combination of the indigenous medicines of the two countries. The Chinese group arrived here early last week for a feasibility study of establishing the center.

AFGHAN HELICOPTERS RAID PAKISTAN FRONTIER CITY

OW010820 Beijing XINHUA in English 0747 GMT 1 Feb 86

[Text] Islamabad, February 1 (XINHUA) -- Three Pakistan women were wounded when Afghan helicopter gunships fired rockets and shells at the Parachinar area, Kurram Agency of North-West Frontier Province yesterday, PAKISTAN TIMES reported today. This was the third air raid on the Pakistan territory by the helicopters of Kabul regime in the past five days since they bombed and rocketed Parachinar earlier on January 27 and 29, inflicting losses on life and property to the local people.

Parachinar, the central city of the Kurram Agency, is situated 16 kilometers from the Pak-Afghan border. Beside striking suburban Lakmankhel, Shelazan and Kalabai Villages, the Afghan aircraft, intruding into Pakistan airspace twice in the morning and once in the afternoon, also shelled the Parachinar City and tried to attack an airbase under construction.

SAARC DELEGATES DISCUSS RURAL DEVELOPMENT

OW041003 Beijing XINHUA in English 0910 GMT 4 Feb 86

[Text] Islamabad, February 4 (XINHUA) -- Delegates from seven member countries of the South Asian Association for Regional Cooperation (SAARC) have met to explore ways and means to close their cooperation in rural development, the PAKISTAN TIMES reported today.

Inaugurating the four-day symposium on rural energy problems here yesterday, Anwar Aziz Chaudhury, Pakistan local government and rural development minister, said that SAARC cooperation would not only help accelerate their development pace, but would also pave the way for bringing accelerated moves towards peace and tranquility in the region. The per capita production and consumption of energy in SAARC nations, Chaudhury said, fall far below the levels of acceptable standards of the world. Energy supply to rural areas where 70 percent of the population lives is only a fraction of the national resources. Therefore, he said, a forceful and comprehensive energy policy for rural areas is imperative.

During the symposium, delegates from the seven SAARC countries -- Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka -- will discuss the need and availability of both conventional and non-conventional energy sources in rural areas of their countries. They will also study different sources of energy for irrigation, domestic lighting, cooking and agrobased industries, and evolve a strategy for planning and management of alternative sources of energy.

GUANGMING RIBAO ON BRITISH ECONOMY, 'THATCHERISM'

HK031005 Beijing GUANGMING RIBAO in Chinese 23 Jan 86 p 4

[Article by Xu Shiquan: "'Thatcherism' and Britain's Economic Situation"]

[Text] Since Mrs Thatcher became master of 10 Downing Street in May 1979, she has carried out "drastic reform" of the United Kingdom's socioeconomic policy. The economic reform measures adopted by the British prime minister are called "Thatcherism" by some people.

Mrs Thatcher has never admitted to "Thatcherism," but she does not deny that she is a follower of monetarist theory. The main contents of her economic reform policy include monetarist macroeconomic policy, the "privatization" of nationalized enterprises, the reform of the welfare system, and the restriction of trade union power. According to the monetarist theory that socioeconomic activities are determined by the money supply, the Thatcher government takes control of the money supply as the core of its economic policy. In March 1983, it published its first 4-year "midterm monetary strategy," which included two major measures: First, to quickly lower the growth rate of money supply from 7-11 percent in 1980 to 4-8 percent in 1984; and second, to reduce public expenditure by 4 percent within 4 years and to strictly control the financial deficit.

The "strategy" pointed out that the fundamental purpose of controlling the money supply is to lower the inflation rate. The Thatcher government selected this approach to economic affairs because it involved the political issue of whether or not the voters would support the Conservative Party in the election. The approach also represents the opinion of the City of London (that is, the United Kingdom's financial and commercial circles). Only by lowering the inflation rate can a way be found to ensure economic growth in the United Kingdom, to raise the enterprises' competitiveness, and to reduce unemployment.

From the very beginning, the prime minister's monetary policy was the focus of political struggle between the ruling and opposition parties. It has also sparked heated controversies in academic circles. Practice over the past 6 years or more has lowered the inflation rate from 10.3 percent in 1979 to 5.5 percent in 1985. But the United Kingdom has also paid a high price for this.

First, serious unemployment has been caused. Since 1979, the number of unemployed has increased by nearly 2 million, and the recent figure was 3.4 million, 13.9 percent of the entire work force. That is to say, a lower inflation rate was achieved at the expense of the consumption capacity of the working masses.

Second, the United Kingdom's industrial foundations have withered. According to statistics by the Confederation of British Industries, in the period between 1979 and 1983, some 15 billion pounds of capital was abandoned as "noneconomical capital." At present, the output of manufacturing industries is 11 percent lower than in 1979. In 1983, the import of manufactured goods exceeded the export of such goods for the first time since the Industrial Revolution. According to some surveys, the competitive power of British industry has fallen to 14th place among capitalist countries.

Supporters of Thatcherism believe that excessive nationalization of British enterprises is one of the root causes of British industry's decline. The disadvantages include: 1) The enterprises merely rely on state investment and lose their enterprising spirit because they can live in ease and comfort; 2) they have become overstaffed, unwieldly, inefficient, and low in productivity; 3) their products cannot meet market needs; and 4) they "squeeze" funds out of private enterprises.

Prime Minister Thatcher once indicated that one of her tasks was to reverse the "distorted" relations between the private sector and the state and to restore the role of market forces as a motive force for the British economy.

Since 1979, the United Kingdom has successively turned 12 large companies engaged in telecommunications, harbor services, aerospace, and automobile production into private enterprises by issuing shares in these companies, contracting them to private operators, turning them into public-private joint ventures, or selling the enterprises to their managers and workers. This year, the British Government will go ahead with selling 5 billion pounds worth of government enterprises including a gas company. This practice has also caused disputes between the ruling and opposition parties. Some people say that the government just uses the money it gains from "privatizing" enterprises to make up the financial deficit and to pay unemployment benefits, and this does not create any social wealth. So it is a serious mistake. Former Conservative Prime Minister MacMillan criticized the government's practice of "selling the silver to make a living."

With the weakening of economic strength, the British Government could not make ends meet after the early 1970's and found it hard to maintain the "welfare state." In the post-war period, social welfare expenditure has increased by 400 percent, and has now reached 40 billion pounds a year, 11 percent of the country's GNP (the figure in early postwar years was a mere 4.7 percent). Supporters of Thatcherism maintain that the present welfare system covers too many items and causes serious waste and poor efficiency. According to the market theory, they maintain that social welfare undertakings should also be shifted to the private sector; that is, education, medical services, and pension funds should all be handled by private institutions.

However, social welfare is also a very sensitive political issue that concerns people's vital interests, so the Thatcher government must take it very cautiously. At present, the government has merely cut down on part of the welfare expenditure and has not begun to "privatize" social welfare undertakings on a large scale. However, the "welfare state" system of which the United Kingdom was once so proud is now in a very difficult position and can hardly move any further. So it is very likely that the British working masses will have to pay a higher cost for this system.

ITALIAN PARTY LEADER ASSESSES USSR VISIT

OW300940 Beijing XINHUA in English 0829 GMT 30 Jan 86

[Text] Rome, January 29 (XINHUA) -- Alessandro Natta, general secretary of the Italian Communist Party said that he and Soviet leader Mikhail Gorbachev had identified their agreements and disputes during discussions in Moscow. Upon returning here today following his visit to the Soviet Union, Natta said both sides had more understanding of each other's positions through wide and free discussions. They talked on wide-ranging current international problems, particularly the grave Mediterranean situation and agreed that solutions should be found, he added. The Italian newspaper L'UNITA reported today that Natta told the press that on the Afghan issue, "We held that the 1979 decision on interference was a political error and we urged (the Soviets) to seek a political outlet."

WU XUEQIAN MEETS SFRY VICE FOREIGN MINISTER

OW311212 Beijing XINHUA in English 1202 GMT 31 Jan 86

[Text] Beijing, January 31 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian met here this afternoon Budimir Loncár, first federal under-secretary of foreign affairs of Yugoslavia.

Loncar arrived here Wednesday as guest of the Chinese Foreign Ministry. Yesterday he held talks with Chinese Vice-Foreign Minister Qian Qichen on bilateral relations and international issues of common concern. The Yugoslav guest will leave here tomorrow to tour Xian, capital of Shaanxi Province, and Shanghai before going home.

PENG CHONG MEETS CSSR PARLIAMENTARIANS

OW311320 Beijing XINHUA in English 1306 GMT 31 Jan 86

[Text] Beijing, January 31 (XINHUA) -- Vice-Chairman Peng Chong of China's National People's Congress Standing Committee met here today Bohuslav Kucera, vice-chairman of the Federal Assembly of Czechoslovakia, and his party. During the meeting, Peng said that he was pleased with the growth of friendship and cooperation between China and Czechoslovakia and increasing contacts between parliaments of the two countries in recent years.

Kucera, who is also president of the Czechoslovak Association for International Relations, replied that developing Czechoslovak-Chinese relations accords with the interests of the two peoples and also contributes to world peace. Peng briefed the visitors on China's economic restructuring and the strengthening up of its legal system. Later, Peng gave a dinner for the visitors.

ISRAELI JETS INTERCEPT LIBYAN AIRCRAFT

OW041601 Beijing XINHUA in English 1547 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- Israeli jet fighters intercepted a Libyan civilian airliner and forced it to fly to an Israeli airport, Libyan state radio reported today. According to the Tripoli radio, the Libyan plane, which was on a flight from Tripoli, Libya, to Damascus, Syria, today, was intercepted by two Israeli jets and forced to fly to Israel.

Among the passengers was Abdallah al-Ahmar, assistant secretary general of the ruling Syrian Ba'th Party, it said. But the radio did not mention who the other passenger might be. The radio quoted the Libyan official news agency JANA as accusing the United States of assisting in the interception by "Jewish air pirates." JANA said that U.S. naval units, which engaged in Mediterranean exercises north of Libya recently, helped Israel with information on flight movements of the Libyan plane.

XINHUA VIEWS TALKS BETWEEN JORDAN, PLO

OW050426 Beijing XINHUA in English 0242 GMT 5 Feb 86

["News Analysis: Jordan, PLO Uphold Arab Unity After Amman Talks" (by Huang Xiaonan) -- XINHUA headline]

[Text] Amman, February 4 (XINHUA) -- While details of the nine-day summit talks between Jordan and the PLO have been kept secret, both sides are making efforts to refute any rumours about a rift between them.

PLO officials accompanying PLO Chairman Yasir 'Arafat in the recent talks with Jordan will remain in Amman for several days after 'Arafat left yesterday. Because, as the PLO leader Salah Khalaf (Abu Iyad) put it, "We don't want it to give an impression that there is a big break with Jordan." Moreover, 'Arafat himself refuted, with care of words, all claims that the PLO-Jordanian relations have been soured. "I refuse malicious attempts to upset the Jordanian-Palestinian relations. The negotiations have not failed but have stopped at this stage though contacts are still continuing", he declared.

The PLO assessment was shared by a senior Jordanian Government official who said "our talks have gone no where but Jordan and the PLO do not have any problem." He said that he believed the problem is between the PLO and the Americans, and Jordan was just trying to reconcile the PLO's and U.S.' positions during the recent talks. However, the talks made no progress because the U.S. insists that the PLO should accept U.N. resolutions 242 and 338 without granting the Palestinian people right to self-determination.

Both Jordanian and Palestinian officials agreed that the PLO's refusal to accept U.S. conditions would have no negative impact on Jordan-PLO relations. "Both sides remain committed to the Feb. 11 agreement on joint political moves towards a negotiated settlement to the Palestinian problem," the Jordanian official said. Meanwhile, Khalid al-Hasan, a close aide to the PLO chairman, said that the Jordan-PLO accord of Feb. 11 is a strategic agreement that cannot be tactically used. Despite differences of opinion on U.N. Security Council Resolutions 242 and 338, both Jordan and the PLO are trying to assure each other and outsiders that both are pondering on their next step in the common cause to push the Middle East peace process forward.

U.S. REJECTS PLO PROPOSAL ON UN RESOLUTION

OW041912 Beijing XINHUA in English 1900 GMT 4 Feb 86

[Text] Kuwait, February 4 (XINHUA) -- The United States has rejected a proposal by the Palestine Liberation Organiation (PLO) to amend the U.N. Security Council resolution 242 to include the legitimate rights of the Palestinian people, a senior Palestinian official announced.

In a statement to the daily AL-ITTIHAD of the United Arab Emirates published in Abu Dhabi today, head of the PLO political department Faruq Qaddumi said the PLO has requested that Washington issue a statement calling for an international peace conference and Palestinians right to self-determination in the frame of a Jordanian-Palestinian confederation. The request was made to the United States through King Husayn of Jordan. Qaddumi said the PLO, in return, would announce its acceptance of resolution 242 after the American statement is released. But in a message relayed through the Jordanian monarch, the U.S. turned down the PLO request.

The PLO official indicated that the PLO might accept marginal compromises for its participation in the peace talks but would not sacrifice basic Palestinian rights. The PLO believes that the Amman agreement is the maximum compromise the PLO can offer. The agreement does not refer to an independent Palestinian state, but calls for self-determination of the Palestinian people in the frame of Palestinian-Jordanian confederation, Qaddumi emphasized. He stressed that strengthening Palestinian national unity and escalating armed struggle in the occupied Arab lands remain the key Palestinian positions in the immediate future.

TIAN JIYUN MEETS GABONESE WATER MINISTER

OW319910 Beijing XINHUA in English 0904 GMT 31 Jan 86

[Text] Beijing, January 31 (XINHUA) -- Vice-Premier Tian Jiyun met Dr Herve Moutsinga, Gabonese minister of water resources, forests and reforestation, here today. Tian said China and Gabon enjoyed very good political relations and close economic ties. He said Gabon was rich in forests and fisheries. Both countries would benefit through an expansion of bilateral trade in timber and co-operation on fishing.

Moutsinga said he had held friendly talks with Chinese officials regarding bilateral co-operation on forestry and fishing during his one-week visit to Beijing, Dalian and Fuzhou. He conveyed Gabonese President El-Hadj Omar Bongo's greetings to the Chinese Government and people. Tian also asked Moutsinga to convey the best wishes of Chinese President Li Xiannian to President Bongo.

RENMIN RIBAO HAILS CIRCULAR ON CADRE SELECTION

HK040455 Beijing RENMIN RIBAO in Chinese 2 Feb 86 p 1

[Commentator's article: "Another Important Provision on Rectifying Party Style"]

[Text] The CPC Central Committee issued a "Circular on Selecting and Using Cadres Strictly According to Party Principles" on 28 January. This is another important provision formulated by the party Central Committee for improving party style, following the meetings of cadres of the central organs, and the issuance of regulations by the General Offices of the CPC Central Committee and the State Council against sending unnecessary delegations, groups, or personnel abroad, and on simplifying receptions for leading cadres at all levels on various tours. Implementation of this provision is of special importance for effectively improving party style.

The question of party style is ultimately a question concerning cadres. Cadres are the executors of the party's policies as well as the embodiment of the party's work style. When the masses of people view party style, they first look at the style of party cadres, leading cadres in particular. How can an unqualified cadre, selected not according to party principles but through evil practice, stand firmly, resist unhealthy tendencies, and foster a sound party style?

In selecting and using cadres, our party has adhered to the principle of appointing people according to their political integrity and ability, and has always followed a fair and honorable practice. Generally speaking, we have done a good job. That our undertaking has advanced full speed ahead and the succession of new cadres to the old and the cooperation between them have proceeded smoothly since the 3d Plenary Session of the 11th CPC Central Committee suffices to prove this point. However, there are indeed a few leading cadres who have diverged from party principles in appointing people by favoritism. They paid no attention to party spirit and principles, but to blood relations and connections; they did not consider people from all corners, but only their close relatives and friends; they ignored the opinion of the masses and organizational discipline governing personnel, and only listened to individual opinions; and some of them even tried all means to promote or appoint their children, relatives, and friends through the "back door." Consequently, some people with limited ability and no political integrity or unqualified people were selected to leading bodies, and others were even promoted through evil designs and flattery. Such unhealthy tendencies in selecting and using cadres constitute a serious threat to the organism of our party, and they must be resolutely eliminated.

In rectifying unhealthy tendencies in selecting and using cadres, it is necessary to rely first on education and second on the legal system. Either one alone will not suffice. Party regulations and discipline are also laws. The "guiding principles" adopted by the 5th Plenary Session of the 11th CPC Central Committee stipulates: "No leading cadre is permitted, in violation of the party's organizational principles and criteria for the selection of cadres, to promote his family members or relatives to leading positions." In view of the new situation, the party Central Committee has summed up new experiences over recent years, formulated special provisions for selecting and using cadres, and set stricter demands on leading cadres. The "circular" also stipulates: Party committees at all levels "should establish measures for implementing the circular in the light of the reality in their areas and departments. At the same time, they should examine their work on selecting and using cadres, and they must promptly and decisively handle problems discovered in the examination." This stipulation conforms with the interests of all party members and the aspirations of people across the country. As long as we act resolutely according to the party Central Committee's provisions, we will certainly be able to rectify and stop unhealthy tendencies in selecting and using cadres.

LIAOWANG COMMENTS ON IMPROVING PARTY STYLE

HK031252 Beijing LIAOWANG in Chinese No 3, 20 Jan 86 p 4

[Commentator's article: "Central Organs Must Set an Example in Rectifying Party Style"]

[Text] Just as the spring of 1986 arrives, the CPC Central Committee Secretariat held a meeting of the departments directly under the party Central Committee and the State Council on 6 and 9 January. At the two meetings, Hu Yaobang, Zhao Ziyang, Tian Jiyun, Yang Shangkun, and Wang Zhaoguo delivered important speeches, calling on party members and officials of the central party, government, and military organizations to set an example for the whole nation in rectifying the work style of the party. They were also called on to raise their efficiency levels, concentrate more on their political studies, and observe discipline, all in an effort to enhance party spirit. Meanwhile, they were urged to introduce major improvements in the party's work style and in social conduct at large and to strive for greater successes in economic structural reform and all aspects of economic construction; they were urged to act with unremitting efforts and in the spirit of the foolish old man who removed the mountains.

This is an important decision. Comrade Hu Yaobang put it well when he said: Central organizations should play a pivotal role in our whole cause. How they play this role has a vital bearing on the future of our cause. Therefore, the central organizations should set an example for the whole nation in morale and work style. This will lend great impetus to major improvements in the party's work style and in social conduct at large. Since the 3d Plenary Session of the 11th CPC Central Committee, major achievements have been scored in rectifying the work style of the party, setting things right, eliminating the influences of "leftist" ideology, drawing up regulations and rules for political life within the party, and carrying out party rectification by stages and in groups. After the National Conference of Party Delegates last September, the party Central Committee Secretariat spared no effort in promoting cultural and ideological progress while enacting the reform of the economic structure. In December last year, the General Offices of the CPC Central Committee and of the State Council jointly issued a circular, calling on party and government organizations at various levels to improve their work style and fight corruption. At present, the party Central Committee is determined to rectify the party style of work and calls on the central organizations to set an example in this regard. This is, no doubt, of great significance.

The main current of work style in the central organizations is good, and the majority of officials of the central organizations work hard and conscientiously. Great successes have been achieved in creating a new situation in both domestic and foreign affairs. However, it is not secret that in some departments and units, there remain malpractices such as bureaucracy, liberalism, lack of efficiency, irksome discipline, disputes over trifles in work, abuse of power for personal gain, and the practice of not acting on principles but being guided by favoritism. Furthermore, there is corruption in some links of our work and some officials have gone so far as to become criminals. Failing to solve these problems early and allowing them to spread unchecked will severely damage the interests of the state and the people and hinder implementation of the opening up policy and progress of the current reform.

"A political campaign will come up again." Some people have said so. No, absolutely not. Experience over the past 30 years or more impressively tells the Chinese people that political campaigns can only raise a hue and cry and seem vigorous superficially but create no end of trouble for the future. Such formalistic practices should be abandoned. In the new drive to improve discipline and work style in the central organizations, we must uphold the principle "less empty rhetoric, more concrete deeds," strengthen ideological education, improve different systems, and preserve discipline.

Meanwhile, we must exhaustively investigate and deal with major and serious cases of malfeasance, improve the intra-party political life and arouse the consciousness of party members and the masses. Since the 3d Plenary Session of the 11th CPC Central Committee, we have launched no political campaigns as a solution to our many major problems, but we have recorded dramatic achievements, attracting worldwide attention. Under the party's leadership, the Chinese people have led a chaotic and dilapidated China onto a prosperous path after healing the wounds of the 10-year catastrophe. This shows that the body of our party is healthy, and we can expose our own problems and solve them by ourselves. This is where the strength of our party lies.

"Nonsense. It is bound to go through the motions in the end," said some people who do not have much confidence in rectifying the party work style and eliminating corruption. A good remedy for the persistent ailment of lack of confidence is to see the facts. Just after the 10-year catastrophe, China was confronted with numerous problems and difficulties for a time, but before long an entirely new situation appeared after the party Central Committee adopted a series of measures to set things right. When the party Central Committee introduced the policy of opening up to the world and enlivening the domestic economy, this also made some people anxious. However, it did not cause any trouble; instead the Sixth 5-Year plan was successfully accomplished and many "unexpected achievements" were scored. Thinking about the past well-established facts and having a look at the effective measures taken at present, we can look forward to a bright future as long as we work together with one heart.

Some comrades hope that all negative and backward factors and corrupt practices can be eliminated overnight and will never appear again. Such thinking is unrealistic. Socialist China emerged from the womb of the old society and exists in today's complex international situation. New corrupt practices often occur after the old ones have been eliminated. For this reason, the central principle calling for firm and enduring efforts to rectify unhealthy tendencies and stem misdeeds is absolutely correct.

"China's reform effort and its opening up policy have brought on corruption and economic crimes and encountered opposition. Now China must slow its rush to reform." This is nothing but "oversensitive" conjecture made by a foreign newsman. Some foreign correspondents "are good at" standing facts on their heads and "are adept at" finding what does not exist. They can do this as much as they like. However, we must say: First, there were and are corruption and economic crimes; they probably will exist in the next 50 or 100 years. Corruption and economic crimes are not the inevitable outcome of reform and of the policy of opening up to the world. Secondly, carrying out reforms and opening up to the world are China's well-defined policies. They will neither change nor stop but will develop further. In 1986, our tasks are to absorb, consolidate, and improve all the reform measures we have adopted, develop them to a new level, make careful investigations, and accumulate strength so as to be prepared to adopt new reform measures. The reason is very simple. When we take three meals a day, we must digest before we take another meal. The appeal made by the CPC to its members and officials to rectify the party work style and eliminate corruption is just aimed at removing obstacles from the path of reform and of opening up to the outside world; we must ensure the progress of these measures.

The CPC Central Committee calls on the central party and government organizations to take the lead in improving party conduct. Through effort, central organizations will no doubt improve their work efficiency and make greater contributions to the people. This will certainly give an inestimable impetus to the fundamental improvement of the work style of the party and of social conduct at large. We are convinced that party members and officials of the central party and government organizations will certainly live up to the expectations of the entire party and the people of the whole country.

LEADERS VISIT MANY LOCALITIES, ENCOURAGE REFORM

HK030951 Hong Kong LIAOWANG OVERSEAS EDITION No 4, 27 Jan 86 pp 3-5

[Article by LIAOWANG reporter: "They Are Among the People -- Hu Yaobang, Zhao Ziyang, and Other Leaders of China Inspect Various Localities Across the Country"]

[Text] On New Year's Day 1986, the streets and lanes in Beijing were filled with a jubilant atmosphere. The sun was shining and a soft breeze was blowing despite the fact that it was mid-winter. People had put on their best clothes and were visiting relatives and friends. They were celebrating the arrival of the new year. Compared with the joyous and bustling activities in the streets, some offices inside Zhongnanhai were very quiet. Where had the masters there gone? On New Year's Day:

CPC Central Committee General Secretary Hu Yaobang was in the distant Xisha Islands in the vast ocean. He was visiting sentry posts and dormitories and, together with PLA fighters who had come from distant places on the mainland to defend the coast, was seeing out the old year and ushering in the new.

State Council Premier Zhao Ziyang was inspecting Tangshan City, Hebei Province. He was visiting people who had been crippled or disabled during the great earthquake in Tangshan in 1976.

President Li Xiannian was in Nanjing. Chairman Peng Zhen was in Wuxi. Vice Premier Wan Li was visiting the teachers and students of Beijing Normal University. Hu Qili and Li Peng were extending festival greetings to workers working on New Year's Day. Hao Jianxiu was visiting model workers in Shanghai...

If we paid attention to what happened on New Year's Day 1985, we may remeber that Zhongnanhai was also quiet on that day. Hu Yaobang was in Hebei's Wenan, Baxian, and Yongqing Counties and was discussing plans for the new year with local cadres and the masses. Zhao Ziyang was inspecting coastal cities open to the outside world.

This is by no means a coincidence. It is a true expression of the new style of China's leaders in the period of reform and construction. They not only go among the masses in grass-roots units during festivals but also try their best to do so whenever they find time. This has become one of their important work methods, an indispensable link in the course of making decisions on policies, and a frequently adopted way to maintain ties with the people.

Zhongnanhai is the nerve center of the 1 billion Chinese people and the headquarters of China's reform and construction. Each day, tens of thousands of reports, letters and telegrams bring the latest information from various fronts in various localities; and batch after batch of investigators are sent out from here or return from grass-roots units with reports on new situations and the people's demands. However, the central leaders of today are not content with all this. They value the viewpoint of practice and personally conduct investigations and study among the people, grasp firsthand materials, and strive to formulate policies, principles, instructions, and orders which conform to the national situation, public feelings, and reality. Therefore, no matter how busy they may be or what important diplomatic activities they may have to participate in, they always regard going among the masses and reality as an important thing on their agenda.

One Thousand Five Hundred Counties

China has over 2,200 counties and cities. Hu Yaobang has said that he has been to 1,500 of them. This of course includes places he had been before he took up office as general secretary. However, he has been to many, many places in the past few years! Let us take for instance the year 1985. At the beginning of that year, he visited Huabei oil field and the rural areas in Wenan, Baxian, and Yongqing in the triangle area with Beijing, Tianjin, and Tangshan as its vertexes. In February, he went to 20 counties and cities in Dehong, Honghe, and Wenshan Prefectures and the frontlines in Yunnan. In June, he went to 13 counties and cities in Shanxi's Yanbei, Linfen, and Luliang mountain areas, and to Shaanxi's Shenmu and Fugu Counties. In the summer months of July and August, he went to the northern and southern parts of Tian Shan in Xinjiang. In September, he followed the route taken by the Red Army during the Long March and inspected Qionglai, Kangding, and Ganzi in western Sichuan and Gansu. In October, he went to Yichuan, Luanzhou, Lingbao, Lushi, and Luoning in western Henan and to Shangnan, Danfeng, Shangxian, and other mountain areas in the southern party of Shaanxi. In December, he went to Ningbo, Fenghua, and Dachen Island in Zhejiang... According to these incomplete statistics alone, he has been to no less than 60 counties and cities.

Premier Zhao Ziyang: In January 1985, he went to Shanxi's Zuoyun, Hunyuan, Huairen, and Datong. In February, he went to Liaoning's Shenyang, Jilin's Changchun, and Heilongjiang's Yichun forest zone. In March, he went to Hebei's Baoding and Shijiazhuang. In April, he went to Hubei's Wuhan City. In July and August, he went to Sichuan's Chengdu City and Liaoning's Dalian Port. In November, he went to Shanghai's Baoshan Iron and Steel Complex and Zhejiang's Wenzhou City. In December, he went to Shandong's Shijiu Port and Yimeng mountain area, Henan's Xinxiang, Jiaozuo, and Kaifeng and Hebei's Zunhua, Qianxi, Qianan, and Tangshan.

Wan Li: In January, he went to Tianjin's Daqiuzhuang in Jinghai County and Guangdong's Shenzhen and Hainan Island. In February, he went to Hubei's Wuhan City. In March and April, he went to Anhui's Huai He area and Jiangsu's Nanjing, Changzhou, and Changshou. In September, he went to Tianjin New Port. In November, he went to Henan's Xinxiang and Shandong's Yimeng mountain area and Qufu. In December, he went to the Hengyang-Guangzhou railway line.

Hu Qili: In January, he went to Tianjin's Daquizhuang in Jinghai County. In April, he went to Hangzhou City. In June, he went to Guangxi's Guilin. In October, he went to Tianjin and Changchun. In December, he went to the Hengyang-Guangzhou railway line.

Li Xiannian inspected Guizhou and Jiangsu. Li Peng went to Shanxi's Shenmu and Fugu, Anhui's Yingshang, and the Tianjin New Port. Tian Jiyun went to Shandong's Jinan, Hebei's Shijiazhuang, and Liaoning's Dalian and Anshan. Hao Jianxiu went to Jiangxi's Jinggangshan area, Jiangsu's Nanjing, and Shanghai Municipality ....

If you take Zhongnanhai as the center and draw lines joining it with places they have visited, you will get a network with lines radiating out from Zhongnanhai to cities, mountain villages, coastal areas, hinterland, forest zones, pastures, deserts, and islands in all parts of the county. No wonder people say that this is the new style of Zhongnanhai today. From what the central leaders have done, people see that the fine tradition of the CPC has not only been restored but has been developed. In addition, things are now quicker. The time needed for taking actions, finding out the demands of the masses, discovering problems, pooling the wisdom of the masses, and solving problems is much shorter. This has enhanced the rapid progress of China's reform and construction.

Allowing the Water To Run

While having a heart-to-heart talk with some county party secretaries, Hu Yaobang said: Is it all right if a county party secretary has not visited all the county's villages after he has been in office for 3 years? We must frequently go into the realities of life to carry out inspections, investigation, and study. This is an idea which has all along been stressed by the Central Committee, but which has not been sufficiently implemented by the whole party. The chronic malpractice of indulging in empty talk can only be eliminated through going to realities and the masses. He said that the first step is to go to the grass roots; the second step is to listen to the reports and demands of the masses; and the third step is to study the experience of the masses and to discuss with them how to solve problems.

Chairman Deng Xiaoping once said: "Do more solid work and do not indulge in empty talk." This is also the unanimous view of central leaders.

In 1985, most of the places Hu Yaobang visited were mountain areas and poverty-stricken areas, such Yunnan's western plateaus, Shanxi's Yanbei and Luliang, Shaanxi's Fugu, Shenmu, Yichuan, and Huanglong, Sichuan's Ganzi Automonous Prefecture, western Hunan, and southern Shaanxi. In these places, there are not many people but numerous mountains, production is backward, and the people are poor. Compared with coastal areas and the hinterland, these places have progressed slowly.

Hu Yaobang has the people of mountain areas in his heart. He has inspected dozens of counties in mountain areas. As he put it, he was "visiting the poor and helping them to become well-off, visiting the rich to solicit their experience in getting rich, and looking for the able and virtuous." He has visited one county after another, thus enriching his understanding of the real situations, broadening his vision, and facilitating his work in formulating plans. He said that mountain areas are faced with the same acute contradiction: One the one hand, a great variety of natural resources above ground or underground have remained untouched over a very long period. On the other hand, tens of millions of people continue to be poor. He pointed out that wooded land and mineral deposits are the focus of labor for the people in mountain areas just as farmland is the focus of labor of the people on the plains. In the past, the fundamental cause of backwardness of mountain areas was that the labor force was divorced from the focus of labor. Once this problem is solved, mountain areas will be enlivened. He said that two obstacles must be removed before mountain areas can become prosperous: One is to have our eyes only on farmland and ignore the "black treasure house" (mineral deposits) underground and the "green treasure house" (wooded land and grassland) above ground. The other is inappropriate policies which bind the people of mountain areas hand and foot. He put forward the necessity of implementing relaxed policies and giving the masses a free hand in mining and afforestation and said that these activities must be carried out by local authorities, collectives, and individuals at the same time. He called this principle "allowing the water to run." "Water" means wealth and resources and "run" means exploration and utilization.

Once the principle "allowing the water to run" was put forward, it was supported by the people and was immediately put into effect. Large numbers of small coal mines came into existence one after another and large numbers of plots on slopes were used by the peasants for growing grass and planting trees on a contract basis. Within a very short period of time, the economy of some mountain areas began to liven up, and they were already profiting by the principle. The characters "allowing the water to run" have brought life back to mountain areas! Poverty-stricken areas are changing.

Many policies and principles have been formulated in this way by the central authorities. They came from the masses and have returned to the masses. They are full of vitality and are accepted by the people because they conform to the conditions of the people and to realities.

The Orientation of Urban Reform

In April 1985, Premier Zhao Ziyang came to Wuhan City, the thoroughfare of nine provinces. Wuhan City is marching at the head of urban reform. It was one of the earliest cities to remove restrictions on the vegetable market. Its achievements in introducing capable personnel have also attracted much attention. It has also gained new experience in establishing ties among various sectors and trades and in making the economy prosperous. Zhao Ziyang particularly praised Wuhan City for its policy of "opening wide the gates of the three cities," saying that this is a move of courage and insight, showing no fear of the inrush of commodities from other localities and of elimination of enterprises in competition. He said in Wuhan City that in developing the commodity economy, the gate must be opened wide to other localities, cities, and provinces. Only by opening the gate can there be competition, progress, and development. Many cities are willing to open up to the outside world but not to other localities of our country. This is not right. A city is the product of the development of the commodity economy. It has diversified functions. It is the center of industrial production, the center of commerce, the center of finance, and the hub of communications. Some cities are also centers of science and education. Various economic activities of a city should not serve that city alone but should serve the entire economic zone centering around it. He put forward that it is necessary to turn cities, first and foremost large cities, into open, multi-function, socialized, and modern economic centers. This conversation has become the guiding ideology for urban reform throughout the country and is yielding rich fruits.

At present, Wuhan City continues to develop in this direction. Enterprises in Wuhan City have formed 517 economic associations and cooperative organizations with its suburban counties and have signed over 300 cooperation projects with over 20 counties and cities of Hubei. It has also established economic and technological cooperation and jointly run businesses with Henan, Sichuan, Qinghai, the coastal cities of Shenzhen, Xiamen, Fuzhou, and Zhuhai, and Hainan Island. It has also established and developed trade relations with Japan, the United States, the Federal Republic of Germany, France, Sweden, and Hong Kong and has run joint ventures and cooperative ventures with them.

Development of the Western Part of China

In the past few years, Hu Yaobang as been to various places in the western part of China -- Xizang, Xinjiang, Yunnan, Qinghai, and Nei Monggol. A complete set of special policies for developing the west have been formulated under the direction of the central authorities. The western region is a region where the minority nationalities live in compact communities. The prosperity of this region has a bearing on the overall situation of stability, unity, and prosperity of China.

Xizang, after the inspection of central leaders, has changed so rapidly that it is "quite beyond recognition." Provinces and cities in the coastal areas and in the hinterland have sent workers, teachers, and technical personnel to cooperate with various localities of Xizang to build factories and schools. Large numbers of key industrial buildings are rising and are changing the scenery of the roof of the world. In Xinjiang, the policy for developing the three mainstays of the local economy formulated through discussions between central leaders, local cadres, and the masses has yielded positive results. Grassland cultivation and animal husbandry are developing. The production of fruits, the technology for food preservation, the processing industry, and mining are all developing rapidly.

In 1981, Hu Yaobang visited Xishuangbanna in Yunnan. There he made friends with Zhao Cunxin, head of the Xishaungbanna Tai Autonomous Prefecture. He told him then that unity among nationalities must be strengthened in regions where minority nationalities live in compact communities. Without unity, there can be no development. In September 1985, he met Zhao Cunxin again at the National Conference of Party Delegates. Zhao Cunsin joyfully told him that in the previous few years, unity among nationalities had been greatly strengthened and production had also been greatly developed. At present, the autonomous prefecture has a population of 660,000. In 1983, the per capita income was over 160 yuan. In 1984, the per capita income reached 227 yuan and the per capita grain allocation reached over 1,100 jin. The figures were even higher in 1985. The autonomous prefecture is building hydropower stations and sugar refineries and is developing tourism. On hearing this, Hu Yaobang was very happy.

Last year, Hu Yaobang visited Yunnan again. He conducted investigation and study in Dehong and Honghe autonomous prefectures. He encouraged the local people to mine iron, gold, and coal to plant trees, to develop transportation and tourism, and to make use of various resources to increase income so that each person could increase his income by 100 yuan in one year. He urged cadres at various levels to frequently go to the masses, to discuss with them the major plan of achieving common prosperity, and to overcome difficulties together in the course of development.

Most of the places visited by General Secretary Hu Yaobang in the past few years are among the most undeveloped localities in China. Even foreigners have noticed this. At a meeting with foreign guests in Zhongnanhai in late spring 1985, a foreign friend said to him: "As far as I know, you often inspect the most undeveloped places in China and are very concerned with the development of these areas. What are China's plans for accelerating the development of these areas?" Hu Yaobang answered: "The economic development of various regions in our country is quite uneven. The eastern part along the coast is relatively more developed. The western part has many mountains and is relatively backward. Nevertheless, a favorable feature of the west is its vast territory with rich natural resources. Therefore, our policy for the western part is: First, to implement relaxed policies so that the people there can have a free hand in exploiting the resources and in bringing their favorable conditions into play. Second, to encourage them to establish ties with more developed regions and to cooperate with them on a voluntary basis for mutual benefit. Third, to reduce as much of their burden as possible by giving them appropriate financial, materials, and technological support." He predicted that large-scale development of the western part of China will be put on the agenda at the end of this century and the beginning of the next!

Expedite Reform in a Thorough Fashion

As if "making a discovery," an observant person said: "Please pay attention to where the central leaders go and when they go there. If you do, you will have some idea of the "mystery" of the strategic thoughts of the central authorities! People find that the following patterns seem to exist:

-- Going to solve problems in places where there are many difficulties;

-- Going to review the experience of the masses in places where new situations and new experience have emerged.

-- Going to open up a new situation in places where work has not been effectively carried out;

-- Going to discover the real situation and to promote the implementation of major policy decision before and after such decisions have been made....

If we recall what happened in the past, we can easily see that there are some grounds for such conjectures. Shortly before and after the 14 coastal port cities were opened to the outside world, central leaders visited these cities one after another. When town and township enterprises began to spring up in China's rural areas, central leaders shuttled into the countryside in the north and south of the country. When urban reform began, they appeared in places where industry was most developed. At the end of last year, before the national rural work conference and when the 1986 Document No 1 was being formulated and polished, many central leaders left Zhongnanhai to go to units at lower levels. At that time, Premier Zhao Ziyang had just concluded his visit to four Latin American countries, but he made a 4-day inspection tour to Wenzhou in Zhejiang Province.

In Wenzhou, one of the 14 coastal cities open to the outside world, Zhao Ziyang visited the urban area, the port, and the wharves. The "Qili" wharf at Wenzhou Port is 9 kilometers long and 20,000-ton ships can berth there. The situation of reform and opening to the outside world in Wenzhou City is inspiring. Zhao Ziyang visited plants run by peasant families. Some of them produce buttons and garments. Others produce woolen jackets and other commodities. The annual output value of Wenzhou's rural family-run industry and industry linked with large enterprises had reached over 1 billion yuan. With the development of family-run industry, Wenzhou has opened up 10 specialized markets and trade in small commodities is brisk.

Zhao Ziyang visited the Qiaotou Town button market and the trade building which was under construction, using 500,000 yuan raised by the peasants in Yongjia County. He also visited the information service agency and the night fair. He praised the Wenzhou people for their ability to develop the commodity economy, appreciated their creation in the course of reform, and encouraged them to develop the production of small commodities. The said that small commodities can not only meet the needs of the people but can also have a place in the international market.

Zhao Ziyang went around the five coastal counties of Wenzhou (Chanan, Pingyang, Leqing, Yongjia, and Ruian). Eight hundred thousand people of these five counties, which accounted for 60 percent of these counties' rural labor force, had left the farmland to take jobs in industry, commerce, and service trade. In 1984, the per capita income of these five countries reached over 500 yuan and this figure was even higher in 1985. All this greatly interested Premier Zhao. Was it not a vivid picture showing the transition of the natural economy to the commodity economy in the rural areas?

Reform has brought about tremendous changes. Reform has caused millions upon millions of people to think, resulting in a creative force with the momentum of an avalanche. China's leaders have plunged themselves into the vast sea of our 1 billion people, drawn on their unlimited wisdom and strength, and now lead them in striding toward the goal of socialist modernization.

At the beginning of 1986, frantic activities were taking place behind the scenes in Zhongnanhai. The blueprint of China's development is designed here and will then be gradually turned into reality over our territory of 9.6 million square kilometers.

ECONOMIC OFFICIAL LISTS 1985 REFORM ACHIEVEMENTS

HK031532 Beijing RENMIN RIBAO in Chinese 26 Jan 86 p 2

[Article by Gao Shangquan, vice minister in charge of the State Commission for Restructuring the Economic System: "On the First Year of the First Battle"]

[Text] The year 1985 has been rung out in the course of our reforms, and we have entered the first year of the Seventh 5-Year Plan. Since the 3d Plenary Session of the 11th CPC Central Committee, the reforms in our country have been carried out for 7 years. In the first few years, rural reforms achieved remarkable successes attracting world attention, and useful explorations were made in urban reforms. After the 3d Plenary Session of the 12th CPC Central Committee, under the guidance of the "CPC Central Committee's Decision on Reform of the Economic Structure," economic reforms entered a new stage and the focus was shifted to the reform of the economic structure in cities. Over the past year, comprehensive reforms have been made in an orderly way in the aspects of the planning system, the price system, the state's economic management functions, and the labor and wage system for the purpose of making the enterprises more dynamic. At the same time, reforms of the scientific research system and the educational system have also made progress. In the countryside, the farm produce purchase system has been reformed, and positive and reasonable measures have been taken to readjust the rural economic structure. This marked the second major breakthrough in rural reforms.

Although our all-round economic structural reforms have just been underway for a short time, a good situation has been created. A series of profound and revolutionary changes have occurred in the economic operational mechanisms and management system in our country, and our national economy has entered the most vigorous and dynamic period since the founding of the PRC.

The year 1985 was the first year that marked the successes in our initial reform efforts. In our counties, both the theory and practice of reform has developed. The development of the theory of the socialist commodity economy and the double-track economic operations have brought some noticeable new trends to our country: Some multitiered and manifold horizontal economic ties have been developing rapidly and have superseded the old structure, which was characterized by separate and closed vertical economic relations on the basis of a high degree of centralization. A variety of economic forms, with the socialist public ownership form as the main body, exist simultaneously and complement each other, thus forming a pluralistic pattern of socialist ownership. With the changes in external conditions, business targets, investment orientation, distribution principles, organization, and management of the enterprises have also changed correspondingly, and the enterprises have thus become more dynamic; a socialist commodity market has taken shape, and the law of value is playing an increasingly important role in regulating production relations between supply and demand. When exercising macroeconomic control and management, the state is gradually shifting from the previous pattern of relying mainly on direct administrative control to the new pattern of relying mainly on indirect control by flexibly using the economic levers of prices, taxes, interest rates, and exchange rates; the countryside in China has been advancing along the path of developing a commodity economy in a planned way, and rural production has become more market-oriented and more socialized. The scale of commodity production oriented to external markets and the scale of commodity exchanges with the outside world have been further expanded; the broad masses have experienced the temper of the commodity economy and have acquired a better understanding of reforms and shown more enthusiastic support for reforms. Practice has fully shown that our country has smoothly moved onto the new path of developing a commodity economy in a planned way, and that prospects for our reforms are bright and broad.

At present, two types of economic operational mechanisms are simultaneously functioning in our economic life; there are two pricing systems and two types of economic management. They not only exist in a parallel way, but also overlap, thus gradually bringing about a new situation. Our reforms have also encountered some problems, which can be summarized into two main points: First, reforms in the macroeconomic field lag behind the new situation in which microeconomic activities are being enlivened. Specifically, macroeconomic factors were out of control to different degrees in the fourth quarter of 1984 and the following period, and this caused partial instability in our economic life. Second, the active microeconomic factors and the positive functions of the market mechanisms cannot be brought into normal play in some areas. Many policies and regulations laid down by the State Council for expanding enterprise decision-making power and invigorating enterprises have not been put into practice. Some enterprises, especially large and medium-sized enterprises owned by the whole nation, are still subject to excessive restrictions in their production and operations. In view of these problems, some measures were taken to strengthen overall economic control last year on the basis of carrying forward the policy of opening up to the outside world and enlivening the domestic economy. At present, the runaway economic growth rate has been brought down, the scale of credit has been brought under control, and the financial situation of the state is better than at any time in the past few years. However, we should still pay attention to some issues.

We should correctly look at problems appearing in the course of reform. First, there are two pattern changes in our country; that is the change in the development pattern and the change in the institutional pattern. These two types of changes are based on two sets of strategies and policies. They may promote each other but might also hold each other back. Fundamentally speaking, reform serves economic development, and the establishment of a new set of institutions will definitely lend great impetus to the development of productive forces. However, if we neglect the complexity and arduousness of the reforms and are eager to create an "overheated" economy, we will unavoidably cause tension and confusion in our economic life and will lose the benign economic environment and favorable social environment for reforms. Second, in the change of the institutional pattern, there will inevitably be conflicts and friction between the outgoing old system and the new system. These contradictions may, on the one hand, weaken the state's capacity of macroeconomic management; and on the other hand, the old financial, monetary, and pricing systems may, with their strong inertia, push the enterprises to seek partial and short-term interests. This is the reason for the "investment hunger disease" and the "remuneration competition disease," which have caused a macroeconomic dislocation characterized by a vicious swell of gross demand. The root cause of this problem remains at the old and ossified institutions.

Third, because we lack experience in making use of the economic levers, economic information, legal means, and administrative means an all-round way to regulate economic operations, and because we have made some errors in our work, we have encountered some problems and should draw lessons from all this. Over the past year, we have also accumulated some valuable experience and have deepened our understanding of the relationships between reform and construction, between macroeconomic reform and microeconomic reform, between single-item reform and comprehensive reform, and between destroying the old and establishing the new in the course of building a new socialist economic model with Chinese characteristics. We are glad to see that our reform theories are full of vitality and are enriched in practice. In order to develop the planned commodity economy, we must ensure that enterprises can really function as relatively independent commodity producers and handlers that handle business on their own and bear sole responsibility for their profits and losses, must develop the socialist planned commodity market and explore the way to establish a sound market system, and must use economic means, legal means, and necessary administrative means to control and regulate economic operations.

Our economic theory has made new breakthroughs in explaining the relationships between these three major tasks in our economic reforms and in explaining the basic characteristics of the Chinese-style socialist economic structure. Meanwhile, our economists have drawn up the blueprint for reform practice by specifying the three major tasks we will carry out in reforms during the Seventh 5-Year Plan. Our future reforms of the planning, pricing, financial, monetary, labor, and wage systems will all serve the purpose of accomplishing the three major tasks. Then, we will form a whole set of mechanisms and means to organically combine plans with market forces and to ensure both dynamic microeconomic activities and effective macroeconomic management. By fulfilling those tasks, we will succeed in creating the embryonic form of the new economic structure.

According to the main reform tasks in the Seventh 5-Year Plan, our general guideline for reform in 1986 is to consolidate the achievements of reform and to make good preparations for taking a major step forward in 1987. There are two main tasks for our reform work this year:

First, we will consolidate, digest, add to, and improve the reform results that we have achieved so as to give play to the advantages, overcome the defects, settle some prominent problems, and bring about better results. In the microeconomic field, we will mainly reorganize the companies which are performing administrative functions, readjust and reduce regulatory taxes for some enterprises, lighten the social burdens on the enterprises, narrow the scope of mandatory plans so as to ensure the effective implementation of the State Council's policies and regulations on expanding the management decision-making power of the enterprises and to provide better external conditions for invigorating the enterprises, especially the large and medium-sized state-owned enterprises. Inside the enterprises, all types of economic contract responsibility systems should be further improved, and the wage system should be gradually reformed. The unreasonable distribution of incomes between different enterprises and between workers should be readjusted. Measures should be taken to prevent the swelling of consumption funds caused by enterprises' competition in raising wages. This is an important issue that must be solved in regulating the relationship between macroeconomic management and the enlivening of microeconomic activities.

It is necessary to further use the means of policies to develop horizontal combinations between enterprises on the basis of mutual benefit and voluntary participation so as to gradually form enterprise groups of different sizes with varying content on different levels. The development of horizontal economic ties will also help rationalize the organizational structure of the enterprises and the industrial structure as a whole and will thus promote economic restructuring by changing the previous structure, which was composed of separate vertical relations with set barriers between different departments and areas. In the macroeconomic field, we must strictly control the general scale of investment in fixed assets and further readjust the investment structure. Macroeconomic control must be strengthened and improved. Demand should be held down and supply should be increased. All types of economic levers should be used to carry out indirect macroeconomic management. We will further readjust and improve our financial and taxation policies. At the same time, we will correctly employ monetary policy and industrial policy to readjust the general demand structure and enterprise activities. We will actively develop the market for capital goods. The state will monopolize the transactions of some major capital goods and will control the general price level for capital goods. We will encourage the transfer of funds on the basis of mutual benefit and the compensable transfer of technologies, and will explore ways to develop multitiered financial markets, technology markets, and labor service markets. The positive role of the market mechanism should be brought into play so as to smooth out economic relations and to create some general, equal conditions for all types of enterprises to join business competition. This will promote the steady and balanced development of the economy.

Second, we will seriously study all reform schemes favorable to effective macroeconomic management and to the enlivening of microeconomic activities, favorable to the enhancement of the enterprise and social economic results, and favorable to the maintenance of the general equilibrium between supply and demand. We will actively and steadily pursue exploration and experiment and will make good preparations for taking important reform steps in the future. Feasibility studies of some reform schemes will be made, and experiments within these reform schemes will be carried out in some cities and enterprises. Through experiments, we will create and accumulate new experience for reform.

PLA DEPUTY CHIEF OF STAFF HE QIZHONG INTERVIEWED

HK031146 Beijing ZHONGGUO XINWEN SHE in Chinese 0317 GMT 28 Jan 86

[Report by Li Wei: "He Comes From the Battlefields -- An Interview with He Qizhong, Deputy Chief of Staff of the PLA"]

[Text] Beijing, 28 Jan (ZHONGGUO XINWEN SHE) -- "He is full of vigor and supported by the veteran comrades. Being very modest, he has quickly familiarized himself with the situation, and he has done well in his work." Han Huaizhi, assistant to the chief of staff of the PLA, who is over 60, made these remarks commending his 43-year-old colleague — the newly-appointed Deputy Chief of Staff He Qizhong, who made an even deeper impression of being straightforward, amiable, and easy to approach when interviewed by this reporter.

A native of Yingshan County, eastern Sichuan, He Qizhong is the youngest high-ranking commander in the Army. He enrolled in the Army in 1961 while studying at the Chengdu secondary technical school, realizing his dream to become a "soldier," which he began to cherish during childhood. A year later, he took part in the self-defense counterattacks in the eastern section of the Sino-Indian border (the Walong Area), acting as a bodyguard for the then divisional commander. Subsequently, he became a platoon leader and held this position for 4 years. He was a staff officer of an Army organ for 11 years. He returned to the front in 1978 and participated in the self-defense counterattacks against Vietnamese aggression on the Yunnan border the next year. At that time he was already a deputy regimental commander and chief of staff. As a regimental commander, he entered the PLA Military Academy in 1980 and studied there for 2 years. After leaving the military academy, he went back to the southwestern Army units and was appointed divisional chief of staff and divisional commander. While he was a deputy Army commander, he commanded the well-known self-defense counterattacks against Vietnamese aggression in Zheyun Shan in April 1984. Soon afterwards, he was promoted to Army commander. In March last year, he was transferred to the General Staff headquarters.

In his office, which is not big, the reporter asked him about the deepest impression he had gained in his 20-year military career. "Nothing has been more impressive than the self-defense counterattacks on the Sino-Indian border," he said, with a strong native accent. "The scenes of combat still remain fresh in my memory. The counterattacks helped me understand about conventional warefare, how to use tactics, and how to cherish love for the soldiers. They served as a basic lesson for my command work in the two self-defense counterattacks against Vietnamese aggression." It was reported that in half a day during an operation he commanded in 1979, his soldiers annihilated some 200 Vietnamese aggressors and wounded about 40 to 50 others. A breakthrough was made under his command in 9 minutes, leaving only three of his soldiers injured.

"The most prominent experience I have had since my arrival in the headquarters is the trust, help, and democratic style of the senior officers. Three days after my appointment, I took part in a Standing Committee meeting of the Central Military Commission. Vice Chairman Yang Shangkun wanted me to speak on the situation in the Army. Not long after this, Chief of Staff Yang Dezhi let me chair a meeting on Army structural reform, steamlining, and reorganization. All this made me feel that I lack knowledge and must study hard and learn from our veteran comrades so as to live up to their expectations."

During the interview, this reporter learned that reading books is an important component of He Qizhong's study. He likes to read military books, modern and ancient, Chinese and foreign. He is more interested in reading memoirs written by PLA soldiers and famous foreign generals. He enjoys reading magazines on modern military equipment and technology very much. He has read the book "Effective Administrator" writtten by a Chinese-American, three times and has found quite a number of convincing arguments in it. He has also read two books concerning experiences in the Korean war. He has studied time and again the self-defense counterattacks against Vietnamese aggression.

This reporter noticed that this high-ranking military officer referred to the word "opportunity" several times during the interview. He said that from his participation in several battles through the years of peace to his appointment as a leader in the General Staff headquarters there were opportunities. "There are many Army cadres whose qualifications are the same as or higher than mine, but I had the ooportunity."

Of the four deputy chiefs of staff, He Qizhong takes partial charge of the work concerning Army organization and equipment. He told this reporter: Last year was the first year in which the Central Military Commission's plan for Army structural reform, streamlining, and reorganization began to be implemented. The tasks of readjusting the Army's high-level leading groups, merging large military regions, and reorganizing field armies into group armies were fulfilled as scheduled, step by step, and in an appropriate manner. The work of reducing the number of soldiers by 1 million has started smoothly. The military officer service regulations, which have an important bearing on the reform of the Army cadre system, have been formulated and will be submitted to the NPC Standing Committee for examination after being discussed by the Central Military Commission. These major reforms have reduced leadership levels, strengthened the combination of various arms and services, and further improved the Army's weaponry and quick-response ability, thus enhancing its combat effectiveness under modern conditions.

Question: "What reforms will be carried out this year?"

Answer: "We will streamline and reorganize the military academies, the logistics supply system, and people's armed forces departments at the county level. It is expected that all this will be completed be the end of this year."

Question: "How do you appraise the combat effectiveness of the Chinese Army?"

Answer: "There should be a comparison. Our Army's combat effectiveness has greatly improved in comparison with that during the Korean war. If any country dares to impose an aggressive war on us, we can say that we will win the final victory."

Question: "What efforts will the Army make to speed the modernization of its equipment as soon as possible?"

He Qizhong answered frankly: "We will aim at advanced world levels and strengthen our scientific research." "Equipment and talented people are two key problems in our Army's construction during peacetime. Since the 3d Plenary Session of the 11th CPC Central Committee in 1979, the Army has made great improvements in designing and producing weapons, and it has introduced more and more computers to the fields of calculation, control, display, radio navigation, processing, and surveying. Renewal of military equipment is gradually taking place. This is the best period since the founding of new China. As our military spending is limited, we will concentrate our material and human resources on the research and manufacture of new weapons. We are convinced that after 1990, we will make great progress in renewing the Army's weaponry."

The time for the interview passed during our free conversation and 90 minutes had gone without our knowing it.

It is little embarrassing to inquire about the personal background of a high-ranking officer. However, at the end of the interview, this reporter told He about the rumor that he was the son of He Changgong, a veteran cadre. Hearing this, He Qizhong replied, laughingly: "My father was a cook in a county before and after liberation, and my mother did laundry for others before liberation. Both of them died 10 years ago. I was the only son in the family and decided to join the Army on my own. I reported this to my parents only after I had enrolled myself in the Army."

REGULATIONS ISSUED ON SCIENTIFIC RESEARCH FUNDING

OW050513 Beijing XINHUA Domestic Service in Chinese 0827 GMT 4 Feb 86

[Text] Beijing, 4 Feb (XINHUA) -- The State Council recently promulgated provisional regulations concerning supervision of scientific and technological appropriations. The purpose of the regulations is to strengthen macroscopic supervision of funds for science and technology; use scientific and technological appropriations in a rational and effective way; orient scientific and technological work to economic construction; form a rational disposition over the depth and breadth of scientific research; and ensure the implementation of state scientific and technological plans.

According to the regulations, the Finance Ministry will, beginning from the Seventh 5-Year Plan, cooperate with the State Planning Commission in arranging central financial outlays for scientific and technological funds in the three areas (funds for subsidizing intermediate tests, trial manufacture of new products, and major scientific research institutes on the basis of the principle that the growth of appropriations for scientific and technological funds is faster than the rate of increase of regular state revenue.

The regulations say: A department, province, autonomous region, or municipality in charge of a major scientific and technological project listed in the state plan will cooperate with the State Education Commission, the Chinese Academy of Sciences, and other departments concerned in sponsoring nationwide public bidding for the project. It must ensure that all units entering the bidding are given equal opportunity and that the quality of the project meets state plan requirements. A department, province, autonomous region, or municipality in charge of such projects should take immediate action to sample the bidding on selected projects in order to accumulate experience as quickly as possible. Supervision of these projects should be on a contractual basis. Funds for scientific and technological research in the three areas and other scientific and technological appropriations can be used free of charge or repaid according to the projected economic efficiency of the project and its ability to repay the funds.

The bank entrusted by the department, province, autonomous region, or municipality in charge of a project will monitor expenditures for the project and will undertake the responsibility of collecting funds according to the contract. Half of the collected funds will be delivered to the state treasury. The other half will be retained by the department, province, autonomous region, or municipality for continuing major state scientific and technological projects; it will not be subtracted from funds to be appropriated under the state plan.

The regulations clearly state: Beginning this year, funds allocated by the Finance Ministry for operating expenses of research institutes under State Council departments will be managed by the State Science and Technology Commission.

The regulations stipulate plans for managing operating expenses of various research institutes. Operating expenses will be gradually reduced, or completely or basically withdrawn, for research institutes working mainly on technological development and applied research projects with immediate foreseeable benefits during the Seventh 5-Year Plan. Institutes concentrating on basic research or applied research projects with no immediate practical benefits will have to apply for grants, while the state will continue to guarantee a certain amount of funds only for those operating expenses necessary to cover regular activities and to support approved auxiliary facilities. Research institutes involved in medicine and public health, labor protection, family planning, prevention and control of disasters, environmental sciences, and other social services; or engaged in basic technical information, standardization, meteorology, and observation, as well as agricultural sciences, will continue to receive funds from the state and will be held responsible for covering operating expenses with funds appropriated by the state.

Units engaged in more than one kind of research work may obtain operating funds through more than one channel, according to specific conditions. Of the operating expenses for research work saved by a scientific research unit, two-thirds should be used by the State Council department concerned to support technological work in the respective trade and to finance major scientific research projects of the state, and one-third should be used by the State Science and Technology Commission as national science and technology credit trust funds and as funds for interest on loans for scientific and technological projects.

Where a nationally oriented technological development fund has been established for a particular trade, all operating expenses saved by units of the same trade should be submitted to the competent authorities concerned for financing that technological development fund. Expenses required by the State Education Commission and the Chinese Academy of Sciences to build laboratories open to the whole country may be met by appropriations from the one-third portion of the savings in scientific research expenses submitted to the State Science and Technology Commission.

In addition, the regulations stipulate that capital construction investment of scientific research units in various fields should be governed by state rules on control of capital construction. Separation pay and retirement pension for those who have been discharged and those who have retired from scientific research units should be disbursed from their scientific research operating funds and should not be reduced. Those units no longer receiving appropriations for scientific research operating funds should continue to give their separated employees and retirees separation pay and retirement pensions. For scientific and technological research projects undertaken by scientific research units and institutions of higher learning at the request of various enterprises, expenses should be met by the enterprises concerned.

ATTITUDES OF SANITATION WORKERS PRAISED

HK040828 Beijing RENMIN RIBAO in Chinese 28 Jan 86 p 1

[Commentator's article: "The Most Honorable Quality of the Working Class"]

[Text] Money and comfortable surroundings are very tempting. However, 52 workers of the Guangzhou garbage disposal plant are not tempted. There is something more attractive than money and comfortable surroundings at their plant. The plant is responsible for arduous jobs, and these jobs are dirty, stinking, heavy, and tiring. What is more important than money and comfortable surroundings is nothing other than the people's happiness. "I am willing to do dirty work so that thousands of people can live healthily." "Work for the cleanliness of the city and work to benefit the people."

Comrades of the Guangzhou garbage disposal plant have made a correct choice between the happiness of the broad masses of people and personal comfort. This choice is a manifestation of being imbued with lofty ideals. The party organizations of this plant are firm and strong, and the leading cadres are imbued with lofty ideals. They have inspired the plant's workers with their own actions and have united them by means of good examples, education, and care in every possible way. All party organizations and leading comrades on various fronts can learn from them what we need most at present.

In the 1950's, there were a number of model workers with Shi Chuanxiang as their representative. They were "willing to do dirty work so that thousands of people could live healthily." They were respected by all the people of the country. Today, we have similar workers at the Guangzhou garbage disposal plant. Their actions show: what is most valuable and worthy of seeking in this world is not money or anything bought with money, but the interests of the people and the country. Their actions also show: so long as we are imbued with the spirit of dedicating ourselves to the people, we can make unusual accomplishments at any ordinary post.

It is matter for rejoicing that since the 1950's, what is most brilliant in the quality of the working class of our country has been passed on from generation to generation. We should value this good tradition and carry it forward under new historical conditions, love our own work, and work diligently in a down-to-earth manner for the growing prosperity of the country and for greater happiness of the people.

Comrades of the Guangzhou garbage disposal plant, the people of the whole country salute you!

FOREIGN EXCHANGE SHORTAGE SEEN LASTING LONG TIME

HK030922 Beijing ZHONGGUO XINWEN SHE in Chinese 0650 GMT 29 Jan 86

[Text] Beijing, 29 Jan (ZHONGGUO XINWEN SHE) -- Today a senior official of the State Administration of Exchange Control told this reporter that China's foreign exchange shortage would last for a quite long time. During the Seventh 5-Year Plan period, the limited foreign exchange should be used in projects capable of boosting exports and increasing the ability to gain foreign exchange earnings, imports of badly needed technology and equipment, and in personnel training.

The official said: In the years ahead, China's foreign exchange will remain strained. The reason behind this state of affairs is that during the Seventh 5-Year Plan period, the construction of energy and transportation projects, ports, and infrastructural facilities will be stepped up, and technological transformation will be carried out in old enterprises.

This requires large quantities of foreign exchange funds. In addition, although big advances have been made in China's export trade over the last few years, strenuous efforts are still needed to expand exports by a wide margin and to gain more foreign exchange earnings. Some export products are less price competitive on the international market and apt to be affected by price fluctuations on the international market and by trade protectionism.

He pointed out: Misuse of a portion of foreign exchange funds is also attributed to the country's excessive demand on foreign exchange. For some time in the past, a considerable portion of foreign exchange funds has been wasted in buying cars, durable consumer goods, and large amounts of spare parts and components, which were assembled or resold on the domestic market. Foreign exchange funds were used on a one-time consumption basis, and their use was not combined with earnings more foreign exchange. Such being the case, our foreign exchange reserves would be used up no matter how much we have. We must always bear this lesson in mind in the future.

In discussing the solutions to the foreign exchange shortage, the official said: Two things must be done with great effort. One is that efforts should be made to boost exports, to enhance the ability to earn foreign exchange through exports, and to increase the income in foreign exchange from nontrade businesses, such as tourism. The other is that it is necessary to economize on the use of foreign exchange and to reduce expenditures. During the Seventh 5-Year Plan period, it is still necessary to borrow an appropriate amount of foreign capital funds so as to make up for the country's shortage of foreign exchange.

RURAL PARTY RECTIFICATION BOOK TO BE PUBLISHED

OW041351 Beijing XINHUA Domestic Service in Chinese 0910 GMT 1 Feb 86

[Text] Beijing, 4 Feb (XINHUA) -- A book entitled "Questions and Answers on Party Rectificationin the Rural Areas" ["Nongcun Zhengdang Wenda"] will soon be published by the Hongqi Publishing House. It contains dozens of questions arranged in the same sequence of the 10 questions listed in the circular on party rectification in the rural areas issued by the Central Commission for Guiding Party Rectification. On the basis of combining theory with practice, it provides explanations and answers in plain and lucid language about questions concerning guiding thoughts, basic principles and policies, and basic methods and steps to be taken for current party rectification in rural areas as well as other matters calling for attention in the course of party rectification. It will prove to be a fairly good book of study materials for the party members in the rural areas.

The book is compiled and written by Dai Zhou of the Propaganda Bureau of the Propaganda Department under the CPC Central Committee and Kang Nengcheng of the Organization Bureau of the Organization Department under the CPC Central Committee. Du Runsheng, member of the Central Advisory Commission and director of the Rural Policy Research Center of the Central Secretariat, inscribed the title of the book.

TELEVISION, THEATERS PLAN FOR SPRING FESTIVAL

OW041107 Beijing XINHUA in English 1030 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- Television stations, cinemas and theatres in Beijing and throughout the country have arranged colorful and interesting programs for Spring Festival, which is new year in the lunar calendar and the most important traditional festival of the year in China.

On the festival eve, which falls February 8, China's Central Television Station (CCTV) will air nationwide a four-hour celebration with 100 singers, dancers, acrobats, conjurers and other performers. The artists will usher in the new year at midnight together with hundreds of millions of TV viewers. CCTV said it has taken four months to prepare for this evening of live entertainment.

During the festival period which lasts four days, a number of TV plays will be shown by CCTV and more by local television stations. These include "A Pilgrimage to the West" and "Li Kui", two adaptations from classical Chinese literature.

Cinema buffs will have their choice of 13 new films, among which "A Fascinating Band" and "Our Ex-Serviceman", have been praised by critics for their truthful reflection of the country's rural economic reform. "Juvenile Delinquents", the country's first film dealing with efforts to reform young offenders through education and labor is another new release and "Pretty A Ping", is a comedy about a charming young lady.

Traditional activities, such as flower shows, lantern festivals and temple fairs are being held all over the country. These are especially popular in the rural areas. In Beijing, 50 art troupes will give concerts, song and dance evenings, dramas and puppet shows. Teams from seven Beijing art troupes will give performances in factories, mines and suburban areas to entertain workers and peasants.

PROPORTION OF URBAN POPULATION TO DOUBLE

OW041055 Beijing XINHUA in English 0820 GMT 4 Feb 86

[Text] Kunming, February 4 (XINHUA) -- The proportion of urban to total population in China is expected to double the present figure of 20.6 percent by the turn of the century, according to an academic forum which just closed in this capital of Yunnan Province. A paper contributed by the Population Research Institute of Nankai University in Tianjin said the pace of urbanization in China has speeded up since 1982. During the period from 1949 to 1982, the increase rate of urban population was lower than the average for developing countries.

To cope with the situation, the institute put forward a long-term strategy advocating strict control of the growth of large cities while developing medium-sized and small ones. At the forum, scholars from 20 research institutes contributed papers on the physical conditions of children in Shanghai and environmental factors affecting the health of workers, among others. Research into demographics began only a few years ago in China, which has a population of one billion. Now there are 38 university-run research units with more than 400 specialists.

The United Nations Fund for Population Activities gave China funds to aid research into 12 areas, including urban congestion, and studies of the aged and women and death rates. Research institutes attached to the People's University in Beijing and Nankai University and Shanghai's Fudan University have agreed to jointly study population in the country's largest cities -- Beijing, Tianjin and Shanghai.

XI ZHONGXUN, OTHERS AT BEIJING TEA PARTY

OW050002 Beijing XINHUA Domestic Service in Chinese 1130 GMT 4 Feb 86

[By reporter Zou Aiguo]

[Excerpt] Beijing, 4 Feb (XINHUA) -- At a Spring Festival tea party held this morning for widows of CPPCC members and noted personages, Yang Jingren, vice chairman of the CPPCC National Committee, said: "Whenever we celebrate a great accomplishment, we cannot but recall and esteem the revolutionaries of the old generation and people with lofty ideals of various nationalities in various circles who contributed to the cause of liberation, unity, and prosperity of our motherland as recorded in the history of the Chinese nation. Stories of their meritorious deeds are not only remembered by their contemporaries but will also encourage our descendants forever and will be passed on from generation to generation as a precious spiritual asset of the Chinese nation." Over 100 elder sisters attended this tea party and heard Yang Jingren's emotional remark.

At the tea party Xi Zhongxun, Hao Jianxiu, Yang Jingren, Liu Lantao, Cheng Zihua, Kang Keqing, Qian Changzhao, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Burhan Shahidi, Fei Xiaotong, and Ma Wenrui sat with the elder sisters around a table. They chatted happily and exchanged festive greetings with each other. Deng Yingchao, chairman of the CPPCC National Committee, asked Yang Zhengmin, deputy secretary-general of the committee, to extend regards on her behalf to the elder sisters at the tea party. Xi Zhongxun and Hao Jianxiu wished the elder sisters a happy new year and good health, as well as continued happiness for their family members.

MILITARY LEADERS VIEW NANJING PHOTO EXHIBITION

OW050644 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 4 Feb 86

[Text] A photo exhibition on the war of recistance against Japanese aggression and the war of liberation in central China opened in Nanjing today. The exhibition was jointly sponsored by the Political and Cultural Departments of the Nanjing Military Region, the committee for photo exhibition on war history in central China, and the photographers association in Jiangsu Province.

Leading Comrades Yang Shangkun, Chen Pixian, and Zhang Aiping wrote inscriptions for the exhibition. Xiang Shouzhi, commander, and Fu Kuiqing, political commissar of the Nanjing Military Region; and Du Ping, member of the Central Advisory Commission, attended today's opening ceremony.

A total of 287 historical photos exhibited -- valuable pictures preserved during the war-ridden years and the decade of turmoil -- vividly and truthfully presented before our eyes the glorious achievements of the soldiers, and the people in central China in fighting for the liberation of the Chinese people during the war of resistance against Japanese aggression and the war of liberation, under the leadership of the CPC.

WAN LI, OTHERS VISIT BEIJING SCHOOLS, TEACHERS

OW050134 Beijing XINHUA Domestic Service in Chinese 1242 GMT 4 Feb 86

[Text] Beijing, 4 Feb (XINHUA) -- Wan Li, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, visited some university, middle, and primary schools and kindergarten teachers in Beijing on 1 and 3 February.

Comrade Wan Li hoped that the work of educational reform in the capital would be carried out successfully and expedite the training of more and still better personnel.

At Beijing Polytechnic University, Wan Li heard a detailed report on educational reform by Fan Gongxiao, president of the university, and saw some models depicting the university's development program and an exhibition showing its accomplishments in scientific research. He also inquired about the university's specialties and departments, the quality of teaching, and other subjects. When briefed on the increase in the university's income resulting from its scientific research and production work and the use of this additional income for educational reform, Wan Li said: Economically, government departments at various levels should consider ways to give more to schools rather than how to receive more from them. What government departments should receive from schools is qualified, highly competent people. Preferential treatment may be given, as appropriate, in levying tax on schools' additional income from their scientific research and production work.

Wan Li said to leading cadres of the Beijing Polytechnic University: "Now, among the schools in our country, secondary specialized schools account for only a relatively small proportion; that is, our educational structure is very irrational. You should help train teachesrs for secondary specialized schools and pay particular attention to assisting normal schools in improving teachers' quality. This is also of fundamental importance to you. If a university is to raise its educational level, it should enroll students from among outstanding middle school graduates. To provide outstanding graduates, middle schools need good teachers. The improvement of the quality of middle school teachers requires assistance from universities. Because of this, it is your duty to strive hard to help improve the quality of primary and middle school teachers." In addition, Wan Li pointed out: Beijing is the capital. It should be ahead of others in every field of work, and higher education is no exception. The establishment of specialties and departments in a university should meet societal needs and should keep up with the international level. Schools should be run with their doors open. They may take the initiative to establish connections with scientific research departments and enterprises so as to promptly absorb new research and production achievements to enrich their curricula. They should also make every effort to improve the quality of education. In reforming the systems of enrollment of new students and placement of graduates, they may make even bigger strides. Besides, connection may be established with enterprises or suburban counties so as to help train qualified personnel for them according to their specific needs. In that case, the school is not required to guarantee jobs for graduates, because they will return to their original enterprises or suburban counties.

On the morning of 1 February, Comrade Wan Li braved bitter cold to call at the homes of some teachers of primary and middle schools and kindergartens in Beijing's Chaoyang and Xicheng Districts. He chatted cordially with them and inquired in detail about their work, income, and housing.

Wan Li said: "The quality of primary and middle school teachers is a major factor determining the quality of our people. The work of bilding the two civilizations should begin with kindergarten education, and this requires good teachers." Comrade Wan Li also visited the teachers' new residences. After being briefed by a responsible comrade of the Chaoyang District government on proposal to be carried out in the Seventh 5-Year Plan period for solving the teachers' housing problem, Wan Li was very pleased. It is his hope that teachers' housing problem be solved as soon as possible. Only when teachers have a good home can they make good preparations for teaching in the classroom and keep their minds on their work, he said.

Comrade Wan Li visited 90-year-old Dong Yuzhen, a retired director of Shuguang Kindergarten in Xicheng District, and extended cordial regards to her. Wan Li said to her: "You have cultivated many, many children. This is your great contribution to the country."

Li Ximing, Chen Xitong, and other responsible comrades of Beijing Municipality accompanied Comrade Wan Li in paying visits and extending regards to the teachers of universities, middle and primary schools, and kindergartens and took part in discussions with them.

HAO JIANXIU AT BEIJING ADVANCED WORKERS MEETING

OW040945 Beijing XINHUA Domestic Service in Chinese 0315 GMT 4 Feb 86

[Text] Beijing, 4 Feb (XINHUA) -- Hao Jianxiu, member of the CPC Central Secretariat, yesterday extended greetings to advanced and model workers of the capital's public transport, finance and trade, environmental sanitation, and posts and telecommunications departments. She said: Workers and staff in these four fields deserve the people's respect for their diligent and dedicated services to other people and society, services bringing convenience and happiness to the people.

Twenty-five advanced and model workers representing the public transport, finance and trade, environmental sanitation, and posts and telecommunications departments in the capital attended a discussion meeting held in the Great Hall of the People by the All-China Federation of Trade Unions, the CYL Central Committee, and the National Women's Federation. Present at the meeting, in addition to Hao Jianxiu, were Luo Gan, Song Defu, Zhang Guoying, and Jin Jian, responsible persons of the All-China Federation of Trade Unions, the CYL Central Committee, the National Women's Federation, and Beijing Municipality.

The advanced and model workers attending the meeting reported on the work they did and talked freely about their attitudes on life and work and about their ideals. Hao Jianxiu highly praised their work attitude and achievements. She said: "By performing your deeds, you have displayed the following kinds of spirit. First, the spirit of responsibility by serving the people wholeheartedly, meticulously, and conscientiously. Second, the spirit of dedication by giving no thought to personal fame and profit, position, gain, or loss. Third, the spirit of exertion by quietly immersing yourselves in hard work and serving in a down-to-earth manner at your regular work posts." She urged them to make new and greater contributions in the new year in building socialist material and spiritual civilization.

FUJIAN'S HU PING ADDRESSES FESTIVAL MEETING

OW011110 Fuzhou FUJIAN RIBAO in Chinese 22 Jan 86 p 1

[Text] A grand meeting was held at the provincial gymnasium yesterday evening by servicemen and civilians to support the Army and give preferential treatment to dependents of soldiers and revolutionary martyrs and to support the government and cherish the people during the Spring Festival of 1986.

Attending the meeting were leading comrades of the PLA units stationed in Fujian and veteran comrades, including Yan Hong, Lu Sheng, Zhu Yaohua, Zhao Huaqing, Liu Bo, Zhang Zongde, Jin Gong, and Hu Junkang; provincial and city leading comrades including Xiang Nan, Hu Ping, Hu Hong, Cheng Xu, Chen Xizhong, and Yuan Qitong; and other veteran comrades including Wei Jinshui, Wu Hongxiang, Jia Jiumin, and He Minxue. The meeting was presided over by Fuzhou Mayor Hong Yongshi.

Governor Hu Ping and Fujian Provincial Military District Commander Zhang Zongde addressed the meeting respectively. Comrade Hu Ping spoke first. On behalf of the Fujian Provincial CPC Committee, the provincial government, and the people throughout the province, he extended cordial regards and best wishes to the commanders and fighters of the units stationed in Fujian, the cadres and policemen of Fujian's Armed Police Corps, dependents of soldiers and revolutonary martyrs, disabled soldiers and ex-servicemen, and demobilized and retired military cadres.

Hu Ping said: In the past year, the soldiers and people in our province, guided by the party Central Committee's correct principles, have scored marked results in advancing by strengthening their unity and working hard. With the consolidation of political unity and stability, the national economy is undergoing a rapid, sustained, stable, and balanced growth. The achievements scored on the various fronts in our province would not have been possible without the support of our fraternal soldiers. While promoting their revolutionization, modernization, and regularization, defending the motherland, and carrying out reduction-in-force reorganization, the units stationed in Fujian have also made important contributions to vigorously aiding industrial and agricultural production in various localities, to combating natural disasters and rescuing victims, to maintaining social order, and to advancing the joint building of spiritual and material civilizations. Like the PLA, the People's Armed Police have contributed to building the two civilizations while strengthening themselves organizationally and doing a good job in maintaining social order.

Hu Ping said: This year is the first year of our Seventh 5-Year Plan. We must firmly carry out the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee and, following the guidance of the party Central Committee, make further efforts to build a socialist spiritual civilization while doing a good job in building a material civilization. We will abide by the circular of the CPC Central Committee and State Council on respecting and cherishing the Army and actively supporting military reforms and Army building, extensively publicize the PLA's noble ideology and revolutonary heroism, continue to cherish and support our fraternal soldiers, and earnestly carry out the policy of giving special care to disabled servicemen and to dependents of revolutionary martyrs and servicemen and the policy of resettling demobilized soldiers. We will strive to do a better job in resettling demobilized soldiers and in supporting soldiers at the front and to do all we can to help the Army successfully carry out its task of reduction-in-force reorganization.

In conclusion, Hu Ping called on the soldiers and people throughout the province to strengthen unity, carry out the spirit of surmounting difficulties, combine their wisdom and efforts in advancing together, and strive to fulfill the Seventh 5-Year Plan.

In this way we will be able to achieve a fundamental turn for the better in party work style and social conduct, make Fujian a leading province in the four modernizations drive, and realize the grand goal of socialist modernization in China.

On behalf of the commanders and fighters of the units stationed in Fujian, the provincial military district Command Zhang Zongde extended best wishes and festival greetings to the provincial CPC Committee, the provincial government, and the people throughout the province. He said: In the past year, the units stationed in Fujian, acting upon the strategic decisions and arrangements of the party Central Committee and the Central Military Commission on Army building in the new period, have successfully carried out party rectification at the Army and division levels, structural reforms and reduction-in-force reorganization, and strengthened political-ideological work with the emphasis on ideals and discipline. The units have also scored marked achievements in strengthening combat readiness, education and training, helping militiamen carry out their reserve duties, training personnel for both military and civilian work, and engaging in agricultural and sideline production. These achievements were closely linked to the concern and vigorous support of the party committees and governments at all levels and of the people throughout the province.

Zhang Zongde said: In the new situation we will strengthen the ties between the Army and the government and between the Army and the people; strengthen the unity between them; vigorously promote the joint building of spiritual and material civilizations by soldiers and civilians; organize military units and the militia to actively support and participate in socialist economic construction in various localities; and strive to contribute to making Fujian a leading province in the four modernizations drive, to fulfilling the Seventh 5-Year Plan, and to achieving the peaceful reunification of the motherland at an early date.

A movie was shown after the meeting.

FUJIAN LEADERS ADDRESS PARTY CADRES CONFERENCE

OW021143 Fuzhou FUJIAN RIBAO in Chinese 21 Jan 86 p 1

[Excerpts] A conference of prefectural, city, and county party secretaries, which was called by the provincial party committee, closed on 20 January. Comrade Xiang Nan made a summing-up speech and Comrade Hu Ping spoke on the current economic work at the general meeting held on the morning of 20 January.

During the 6-day conference, which was opened on 15 January, participants earnestly studied the guidelines of the central conference on rural work and the meetings of cadres of central organs, heard speeches by leading comrades of the provincial party committee, and discussed questions on improving party style and successfully carrying out party rectification in rural areas.

In his speech, Comrade Xiang Na stressed the importance of taking a firm grip on the economic work as the central task. He said: Economic work is the foundation and focus of work in all fields. Developing the socialist forces of production is our central task, and work in all other fields should be centered on this task. He said: The main objective of the current conference is to study agriculture. As Fujian has a relatively weak foundation in agriculture, we should build up our strength in this field from now on.

Comrade Xiang Nan called on leading comrades at all levels to pay particular attention to raising economic efficiency and increasing exports to earn more foreign exchange.

He said: In raising economic efficiency, it is necessary to concentrate efforts on improving product quality, lowering material consumption, shortening the period for circulating funds, and increasing profits and revenues. Comrade Xiang Nan said: In striving to earn more foreign exchange this year, it is necessary to turn out more traditional goods, new products, aquatic produce, fruits, and electrical and mechanical engineering commodities. Vigorous efforts should also be made to build a number of enterprises and centers for producing export commodities and to upgrade product quality to meet the needs of the world market.

Comrade Xiang Nan pointed out: We must combine economic work with the building of socialist spiritual civilization. He said: We must build and achieve fruitful results in both material and spiritual civilization this year. As a province open to the outside world, Fujian should attach special importance to building spiritual civilization.

In conclusion, Comrade Xiang Nan stressed: The general demand for the work of this year is to place reform above anything else; continue to persistently carry out the policies of making reforms, opening to the outside world, and enlivening the domestic economy; and pay keen attention to building the two civilizations simultaneously and achieving fruitful results in both material and spiritual aspects. He said: As our economic structural reform is still in the initial stage, problems in the course of reform are unavoidable and normal. Although great achievements have been made in restructuring the province's rural industrial facilities, we should never slacken our efforts at grain production, allocation, and transportation. Moreover, prudent and reliable measures should be taken to steadfastly restructure rural industrial facilities. Comrade Xiang Nan urged leading cadres at all levels not to become timid and overcautious or even assume a passive attitude toward everything because of problems that have cropped up in work. They should realistically summarize experiences, adopt a positive attitude in drawing lessons, enhance confidence in the reform, further emancipate their thinking, boldly explore new ways of doing things, and display the spirit of the foolish old man in order to successfully build the two civilizations in our province.

In his speech, Comrade Hu Ping pointed out: Developing the commodity economy should be the center of the many tasks of rural work. This is a long-term strategic task and the only way to achieve agricultural modernization. All work in rural areas should be focused on this task. He called on leaders at all levels to familiarize themselves with the concept of commodity production and apply it to guiding the development of the rural economy as a whole.

Comrade Hu Ping said: It is necessary to vigorously enliven circulation. Due to backward transportation, inefficient management and service, and problems in policies, circulation channels are clogged. He called on all localities to pool funds to set up a multichannel transportation system and not to rely on state appropriations alone.

Stressing the importance of increasing agricultural investment and improving agricultural production conditions for building up strength for agriculture, Hu Ping said: All trades and professions should vigorously support agriculture. Industrial enterprises using farm and subsidiary products as raw materials should make special efforts to support agriculture.

Hu Ping also stressed the importance of grain production. He said: In northern Fujian, the first-rate labor force is engaged in trading, the second-rate labor force in setting up enterprises, the third-rate labor force in contracting cash crops, and the bottom-rate labor force, including old, weak, and sick people, in growing grain. How can we allow this to happen?

It is impossible to increase grain output and speed up the pace of agricultural modernization if we have an old, weak, and sick labor force growing grain crops. Doing a good job in grain production should be the basis for developing the rural commodity economy throughout the province. Leaders at all levels should keep a cool head and should never slacken vigilance on this matter so that a bumper grain harvest may be reaped this year.

HAN PEIXIN ADDRESSES JIANGSU PLA MEETING

OW310450 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 29 Jan 86

[Text] On the evening of 29 January, the Jiangsu Military District held a forum to greet the forthcoming Spring Festival. Leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC Comittee, and the Jiangsu Military District happily joined the commanders and fighters at the gathering. The leading comrades included Han Peixin, Shen Daren, Sun Jiazheng, Liu Lin, Chu Jiang, He Binghao, Ling Qihong, Luo Yunlai, Zhen Shen, and Yue Dewang. They talked cheerfully and exchanged greetings with the commanders and fighthers.

Zhen Shen, commander of the Jiangsu Military District, reviewed the achievements made by local party committees and governments in the past year in supporting the reduction-in-strength reoganization of the PLA and militia units, in the joint Army-people drive to build spiritual civilization, and in building Army reserves. On behalf of the Jiangsu Military District, he gave his heartfelt thanks to local party and government leaders and the people in the province.

During the discussion, Han Peixin, secretary of the Jiangsu provincial party committee, spoke highly of the important contributions made by PLA units in Jiangsu to the province's economic construction. He pledged to work even harder to support the Army and take good care of the families of servicemen, and to build closer Army-government and Army-people relations in the new year. He called on the soldiers and the people to make concerted efforts to accomplish the new tasks assigned by the party Central Committee and the Central Military Commission.

After the forum was over, the leading comrades joined the cadres and fighters of Jiangsu Military District in watching a performance given by the literary and art propaganda team of the 3d Infantry Regiment of the Yangzhou Army Reserve Division.

JIANGSU'S HAN PEIXIN GREETS WRITERS CONGRESS

OW021453 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Text] A 4-day general membership meeting of the Jiangsu chapter of the China Writers Association came to a successful conclusion on the afternoon of 31 January. The meeting reviewed the achievements made by the province in literature since the 3d Plenary Session of the 11th CPC Central Committee, and further clarified the goal of the struggle from now on. Comrade Han Peixin's message of greetings greatly inspired the meeting's participants. It was the consensus of the writers in their discussions that the party and government have provided a lively political situation for literary creation, and that writers should further enhance their sense of responsiblity for society and keep abreast of the times of producing more works depicting vivid realities of the four modernizations and the reforms so that their works can contribute to the prosperity of the motherland.

During the meeting, special forums were held on women's literature, children's literature, and periodicals published in Jiangsu.

In their speeches, the writers offered constructive suggestions for making literature flourish in Jiangsu, conducting correct literary criticism, and strengthening unity among writers. The meeting heard a work report by the previous council, discussed and approved the constitution of the chapter, and elected a new council.

JIANGXI'S WAN SHAOFEN AT SUPPORT-ARMY MEETING

OW301401 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 29 Jan 86

[Excerpts] The General Offices of the Jiangxi Provincial CPC Committee and the Jiangxi Provincial People's Government, and the Political Department of the Jiangxi Provincial Military District jointly held a forum on 29 January on supporting the Army and giving preferential treatment to dependents of servicemen and revolutionary martyrs and supporting the government and cherishing the people during the 1986 Spring Festival.

Attending the forum were Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee; Deputy Secretary Liu Fangren; Deputy Secretary and Governor Ni Xiance; Deputy Secretary Xu Qin; Wang Zhaorong, Pei Dean, Wang Baotian, Lu Xiuzhen, and Wang Taihaua, members of the Standing Committee of the provincial CPC Committee; Zhao Zengyi, chairman of the provincial Advisory Commission; Di Sheng and Liu Zhonghou, vice chairmen of the commission; Wang Shufeng, chairman of the Standing Committee of the Jiangxi Provincial People's Congress; Wang Zemin, Liang Kaixuan, Huang Xiandu, and Liu Bin, vice chairmen of the Standing Committee; Qian Jiaming and (Fei Xiye), vice governors; Yang Yongfeng, Shen Hanqing, Liu Jianhua, Lu Liang, Wu Yongle, Li Shanyuan, Wu Tiyu, Jin Liqiang, and Wu Yunzhong, vice chairmen of the Jiangxi Provincial CPPCC Committee; Shen Shanwen, deputy commander of the Jiangxi Provincial Military District; (Liu Zhifu), deputy head of Nanchang Infantry School; (Yang Lingxiong), deputy political commissar of the school; (Liu Bingyao), deputy head of the school; (Jia Qingrong), head of Jiangxi's People's Armed Police Force; (Zhou Shiyi), political commissar of Air Force Unit 39341; Li Aichun, secretary of the Nanchang City CPC committee; and Chen Andong, deputy secretary of the committee and mayor of Nanchang.

The forum was presided over by Liu Fangren, deputy secretary of the provincial CPC Committee. Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee, addressed the forum amid warm applause. After extending Spring Festival greetings to PLA units in Jiangxi, the People's Armed Police Force, demobilized military cadres, dependents of servicemen and revolutionary martyrs, disabled soldiers, and ex-servicemen on behalf of the provincial CPC Committee and the provincial government, she said: As the first Spring Festival of the Seventh 5-Year Plan is approaching, allow me to extend festival greetings to all at this early date. In the past year, especially since the CPC Central Committee and the State Council issued the circular on cherishing and respecting the Army and vigorously supporting the Army in carrying out reforms and taking part in construction, the people of the whole province have gained a better understanding of the PLA's role in socialist modernization and of the importance of strengthening the unity between the Army and the government and between the Army and the people. Activities to support the Army and give preferential treatment to dependents of servicemen and revolutionary martyrs and to support the government and cherish the people have been launched more extensively than in previous years. PLA units stationed in Jiangxi and the Jiangxi People's Armed Police Force have been actively supporting local construction. They have done a great deal of work to promote the joint building of spiritual and material civilizations by soldiers and civilians and to aid construction in old revolutionary areas.

After reviewing the excellent political and economic situations in Jiangxi, Comrade Wan Shaofen said: Compared with other economically developed fraternal provinces and cities, our province still lags behind.

Although we have succeeded in improving our party's work style, many problems still exist. I hope that the military and the people throughout the province will carry forward the revolutionary traditions and redouble efforts to make new contributions to the motherland's socialist modernization, to invigorate Jiangxi, to enhance the people's prosperity, to build the two civilizations, and to further improve the party's work style.

On the afternoon of 29 January, Liu Fangren, deputy secretary of the provincial CPC Committee; Lu Xiuzhen, member of the Standing Committee of the provincial CPC Committee; Vice Governor (Chen Guisun); Jiang Zhongping, deputy secretary of the Nanchang City CPC Committee; and other provincial and city responsible comrades visited PLA Hospital 94. Liu Fangren and other comrades briefed the medical personnel on Jiangxi's excellent situation, listened to their suggestions, and called on wounded and sick soldiers in different wards.

DAZHONG RIBAO COMMENTATOR ON ORGANS' WORKS STYLES

SK030210 Jinan DAZHONG RIBAO in Chinese 13 Jan 86 p 1

[Commentator's article: "Conscientiously Improve the Work Styles of Organs"]

[Excerpts] In his speech at the recent rally of cadres of central organs, Comrade Hu Yaobang called on central organs to act as examples for the whole country. This is not only a demand on central organs but also one on leading organs at the provincial, prefectural, and county levels. We must earnestly study and implement his speech.

To improve the organs' way of thinking, the most important thing is to foster the idea of service. Over a long period of time, our organs have been accustomed to acting as mothers-in-law, thinking that organs are to administer others and that grass-roots units should be geared to the needs of organs. Such a self-centered idea on the part of the personnel of organs will easily lead to bureaucracy and "yamen work styles." Organs are in the category of the superstructure. According to the Marxist viewpoint, the superstructure is determined by the economic foundation and should serve the economic foundation. In the final analysis, it is because of the needs in the grass-roots work that organs should exist. Comrades working in organs should not place themselves above those working at grass-roots units, giving suggestions for grass-roots comrades to act accordingly and regarding their assistance to grass-roots units in solving problems as something bestowed. Instead, they should proceed from the needs of grass-roots units and conscientiously serve them. An important criterion for judging the work of organs is to see whether or not organs can reflect the needs of grass-roots units and the desires and requirements of the people, help grass-roots units solve some practical problems in a down-to-earth manner, and promote economic development.

Raising efficiency has always been an important issue in the work of organs, and one that has not been resolved properly for a long time. From the subjective viewpoint, low efficiency reflects low spirit, low enthusiasm, and an incorrect way of thinking on the part of some organ personnel. From the objective viewpoint, it reflects a failure to define the duties incumbent on each person and to mete out rewards and punishments strictly. The problem of the common big pot existing in production units has been solved relatively well. However, the same problem existing in organs has not been solved. There are many issues that several departments take charge of jointly. However, they actually do not care about them. They ask about the issues whenever they feel like asking, and also have reasons to give whenever they do not feel like asking. In this way, every issue can be shifted to either higher or lower levels, and on one is held responsible in the event that problems arise.

The purpose of the Communist Party is to serve the people wholeheartedly. All personnel of organs are servants of the people. They have no reason to abuse their authority for selfish gains. Comrades in charge of personnel, finance, and material supply, in particular, should all the more value their power. There were "lucrative posts" in the bureaucratic organs of the old society. This meant posts where large sums of money could be made. At present, in some of our organs a few people also take advantage of the power given them by the party and the people to grow "fat." They are precisely the people who were involved in the economic crimes exposed recently in various localities. Comrades of some grass-roots units said that what they are most afraid of are those with "real power" at higher levels with unhealthy work styles and greedy eyes at the sight of profits. Anyone who burns joss sticks for them will benefit, and any one who shows no respect for them will be blocked through all possible means. In improving the organs' way of thinking, we should also focus on solving the problem of power abuse for selfish gains. Persons blinded by greed and with corrupt ideas and no sense of law and discipline who do not use their authority to promote the two civilizations must not be given any power in personnel, finance, and material supply. With regard to the few with serious problems, we should punish them resolutely, and never tolerate them or be soft-hearted toward them.

SHANDONG FORUM ON BUILDING RURAL ORGANIZATIONS

SK030346 Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 Feb 86

[Text] The provincial forum on building the rural grass-roots party organizations concluded in Jinan on 31 January. The forum discussed and revised the work principles for the rural party branches, discussed and studied ways to strengthen and improve the leadership work of the township and town CPC committees and the ideological construction and work style of the rural grass-roots cadres, to readjust the institutions of the rural party organizations, and to strengthen management over party members, and the building of the party organizations of the poverty-stricken villages.

The forum pointed out that strengthening the building of the rural grass-roots party organizations has become a task of top priority in the building of the two civilizations in the rural areas as well as a major task for the CPC committees at all levels. The forum decided that, at present, we should prominently grasp the following few tasks well in the course of building the rural grass-roots party organizations:

1. We should turn the rural grass-roots party organizations into strong bastions capable of contributing to the building of the two civilizations. The CPC committees at all levels should continue to grasp the readjustment of leading bodies in line with the four requirements of cadres, persist in combining ability with political integrity when selecting cadres, and pay particular attention to promoting to leading posts those outstanding party members who have a strong party spirit and good work style, who are young and educated, and who have a pioneering and creative spirit.

2. We should fully display the vanguard and exemplary role of Communist Party members in leading the masses to achieve common prosperity. In addition to taking the lead in becoming rich through hard work, the rural Communist Party members should consider the work of leading the masses to achieve common prosperity as their bounden duty.

3. We should grasp the work of improving the work style of grass-roots cadres as a major task of rectifying the rural party style. At present, we should pay great attention to helping the grass-roots cadres foster the viewpoints of seeking truth from facts, proceeding from the reality while doing everything, trusting and relying on the masses, observing policies and the legal systems, and working selflessly and honestly for the public. All cadres who have seriously violated the party discipline and state laws should be severely punished after verifying the facts.

4. We should vigorously strengthen the rural ideological and political work.

The forum stressed that strengthening the building of the rural grass-roots party organizations is a major matter for the whole party. The CPC Committees at all levels should include this work on their agenda. The propaganda, organizational, and discipline inspection departments of the CPC committees should share the work and cooperate with one another under the unified leadership of the CPC committees. They should stick to their own posts, continue to study the new situation and solve new problems, and strive to upgrade the building of the rural grass-roots party organizations.

SHANDONG SECRETARY ATTENDS ECONOMIC CONFERENCE

SK011118 Jinan Shandong Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Text] The provincial work conference on economic and technological cooperation concluded on 31 January. It stressed that persistently carrying out reform; opening to the outside world; further promoting economic and technological cooperation; doing a good job in the transfer of technologies, talented people, and products; and greatly developing inter-regional and inter-departmental lateral economic ties are important tasks for our province's economic development and economic reform in 1986, and also an important policy decision aimed at invigorating enterprises and enlivening the economy.

The conference noted: Development of lateral economic ties is a new thing emerging in the course of economic reform. It plays a significant role in exploiting resources, utilizing funds, attending to the disposition of productive forces, meeting social demands, and ensuring an increase in the benefits of enterprises, and it has a bright future.

The conference pointed out: This year, our province's economic and technological cooperation should be focused on technological cooperation and the transfer of technologies, talented people, and products. On the basis of last year's achievements, we should make new breakthroughs by concluding agreements involving 3,000 projects and 500 million yuan, strive to bring in 15,000 college-level personnel of our province who have been sent to other provinces and municipalities for training, and engineering and technical personnel of various specialities employed from outside the province, and make the total volume of material exchange reach 1 billion yuan.

The conference emphasized that in order to strengthen economic and technological cooperation and promote lateral economic ties of our province we should develop the advantages of cities in industrial production, science and technology, talented people, circulation, finance, and information, stimulate the rational exchanges of funds, equipment, technologies, and talented people, help large and medium-sized key enterprises play their role as a backbone force, and enable cities to truly become open, key economic networks at different levels, of varying dimensions, and with distinctive characteristics.

The conference urged: Prefectures, cities, departments, and enterprises throughout the province should make a greater success in the economic and technological cooperation between the eastern and western parts of our province, and in their mutual support, and accelerate the systematic transfer of the advanced technologies and managerial exeriences of the eastern part to the western part of the province. In this way, the eastern and western parts of our province will support and promote each other, achieve common development and gradually rationalize our province's economic structure and geographic distribution of productive forces.

During the conference, Liang Buting, secretary of the provincial CPC Committee, attended and gave a report. Zhang Jingtao, adviser to the provincial government, delivered a speech.

BEIJING SECRETARY AT MUNICIPAL RURAL WORK CONFERENCE

SK031257 Beijing BEIJING RIBAO in Chinese 26 Jan 86 p 1

[Text] The annual municipal rural work conference was held in Miyun County from 21 to 26 January.

The main tasks of this conference were to study this year's Central Document No 1 and the important speeches of the central leading comrades at the rural conference held by the CPC Central Committee, to sum up last year's achievements and find out where we have lagged behind, and to work out plans for this year's rural work.

This year, the general demands of the Beijing municipal rural work are to continuously implement the principle of "serving the capital, making the people prosperous, and building the socialist and modernized new rural areas;" to deeply carry out reforms; to integrate the urban work with the rural work; to invigorate the circulation channels; to step up cooperation; to promote a coordinated development in all trades; and to make the rural economy in the suburban areas move toward specialization, commercialization, and modernization. This work has been specifically divided into seven aspects.

1) We should further strengthen agriculture in the suburban areas; 2) continue to develop township enterprises; 3) firmly grasp scientific, technological, and educational work; 4) further invigorate the circulation channels; 5) vigorously improve the rural cooperative system; 6) help the poor mountainous areas gradually improve their outlook; and 7) strengthen the building of the socialist spiritual civilization and achieve fundamental improvements in the party style and social conduct.

Attending this conference were the responsible comrades of the municipal CPC Committee and the relevant departments, commissions, offices and bureaus of the municipal government, secretaries of the suburban county CPC committees, district and county heads, directors of the rural work departments, chairmen of the agricultural and financial offices, and secretaries of the various township CPC committees, totaling some 600 persons. Vice Mayor Huang Chao delivered a report.

Fei Xiaotong, vice chairman of the National CPPCC Committee, attended the conference. Also attending were leaders of the municipal CPC Committee and government, including Li Ximing, Chen Xitong, Jin Jian, Han Boping, Wang Jialiao, Wang Guang, Li Qiyan, Zhang Mingyi, Chen Yuan, Lu Yucheng, Wang Lixing, Sun Fuling, and Wang Xian. Li Ximing and Chen Xitong gave speeches on how to enable the suburban areas to further improve their rural work during the "Seventh 5-Year" Plan period, and on the issues of the study of cadres and of improving party style.

HEBEI CITY MAKES REFORMS, CORRECTS MALPRACTICES

SK040034 Shijiazhuang HEBEI RIBAO in Chinese 20 Jan 86 p 1

[Text] By analyzing positive and negative typical cases and summing up the experiences and lessons gained in conducting reforms and enforcing the policy of opening to the outside, Qinhuangdao City has further improved its systems and enhanced the political consciousness of the broad masses of party members and cadres, resulting in marked progress in conducting reforms and implementing the open policy.

Although Qinhuangdao City has scored marked achievements in conducting reforms and enforcing the policy of opening to the outside it has also experienced some cases of violating the law and criminal cases.

TEXT Since July 1985 the leading comrades of the city CPC Committee and the city people's government on three occasions selected some typical cases for organizing the leading cadres of the city party and government organs and the vast number of people to analyze the causes and effects of the cases. On each occasion, the leading cadres of the city CPC Committee and the city people's government first conducted a collective analysis of the cases, and second, convened a meeting with the participation of cadres of city-level organs at or above the deputy director and manager level, at which the responsible comrades of the city CPC Committee and the city people's government took the lead in analyzing the problems cropping up in straightening out party style in line with their personal ideological reality. Third, the city had its subordinate units organize their masses to hold profound discussions by using the cases for reference in order to upgrade their understanding and to improve political work organs.

Through analyzing typical cases, they have sorted out the following causes of these cases:

1. The leading cadres of some administrative and economic departments have ignored the program of building spiritual civilization so as to enable some units to leave party work untouched and to disband or merge their political work departments.

2. The leading personnel of some units have lowered their guard ideologically, slackened their vigilance, not performed their work in line with the party's principles, and have not paid attention to political conditions in personnel employment so a number of unlawful elements have committed criminal activities and practices violating the law by taking advantage of conducting reforms and enlivening the economy.

3. Various companies emerging in the program of conducting reforms have not been well supervised by specialized organs, so the management of issuing business licenses, notarizing documents, and approving shipping lists and letters of credit has become chaotic. This has made things convenient for the criminal activities of unlawful elements.

4. The accounting personnel have been of poor quality so they did not uphold principles in work.

5. The organs in charge of storage and leasing have not been healthy, and the notarial organs have not played their role satisfactorily, which have provided many opportunities for unlawful elements.

On the basis of analyzing these typical cases, they have studied and mapped out the following measures for improvement:

1. The city Personnel Bureau should take the lead in conducting investigations on the situation of political cadres among city-level organs and their subordinate units and in adopting feasible measures to deal with the problems in which some units have many vacancies for political cadres; some cadres are no longer suitable for political work; most political work cadres have not implemented the responsibility system; and some units have no distinct duties in political work.

2. The city Industry and Commercial Bureau has been responsible for carrying out examinations and checks among the various companies throughout the city. As a result, more than 100 companies violating the business law have had their licenses revoked, more than 100 notary stamps have been withdrawn, and regulations and rules in various managerial affairs have been formulated.

3. A system governing the printing, registration, sale, utilization and management of shipping lists and letters of credit has been formulated.

4. In line with the provisions concerned, the city has established accounting managerial organs at all levels and implemented the principle that only those who have obtained a "certificate" of accounting are qualified for accounting posts.

5. The city has worked out a plan for establishing storage sections in charge of unified storage management, unified service, unified charges, unified regulations and rules, and unified development planning in order to plug loopholes.

6. The city's financial front has worked out eight measures for enhancing cash management.

7. The city has enhanced education on the legal system and the work of building notarial organs in order to resolutely do things according to law.

The work of analyzing typical cases has enabled the broad masses of party members and cadres to discern the unhealthy consequences of neglecting the program of building spiritual civiliation and the relationship between material and spiritual civilization; has straightened out the orientation of the transformation drive; has promoted the smooth progress in conducting reforms and enforcing the policy opening to the outside; and has pushed the entire party forward in straightening out party style.

Recently the provincial Discipline Inspection Commission published a circular for localities throughout the province to recommend the experiences gained by the Qinhuangdao City CPC Committee and the city people's government in this regard.

NEI MONGGOL SECRETARY ON 1986 WORK ARRANGEMENTS

SK310840 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 30 Jan 86

[Text] After a 7-day session, the regional meeting of the banner and county CPC Committee secretaries successfully concluded on 30 January.

At the morning session on 29 January, Zhou Hui, secretary of the regional CPC Committee, made an important speech on issues concerning the current situation, the grain tasks for 1986, straightening out party style, and building the leading bodies.

Comrade Zhou Hui said: This meeting was well convened. Through this meeting, in light of the region's actual conditions, the people will furher upgrade their understanding of the line, principles, and policies of the central authorities and better understand the region's tasks. At present we must focus on grasping typical cases in a step-by-step manner. This is a job demanding solid, painstaking work and real skill. We should concentrate this year's reform on consolidating, digesting, supplementing, and improving the achievements scored in and the measures taken in the earlier reform work. The region and the responsible departments in charge of the reform work should pay special attention to work in this regard, and continue to ideologically and practically implement the work in a firm, good, and quicker manner.

Comrade Zhou Hui said: The current situation is very good, and better than expected. We must fully affirm the current excellent situation and fully estimate the significance of this success. If we do not make a full estimate of the current situation, we will make a fundamental mistake. However, we must notice the difficulties and problems existing in the current excellent situation. It is extremely harmful to be unrealistically optimistic by ignoring the existing problems and difficulties.

We must give problems more careful consideration and make a full estimate of the difficulties. By so doing, everything will proceed well and there will be no harm.

Comrade Zhou Hui pointed out: In the period when reform is carried out on a large scale, the people will certainly have more complaints because the systems are not perfect and we lack experience. We must properly solve this situation in a step-by-step manner, though it is normal.

Regarding the issue of how to solve the existing difficulties and problems, Comrade Zhou Hui said: With the assistance of the higher levels and in cooperation with relevant departments, we must rely mainly on ourselves and the masses to solve our difficulties and problems. Under the guidance of the line, principles, and policies of the central authorities, we must rely on party organizations at all levels and the cadres and the people of all nationalities in the region to solve the problems. Such a way of solving difficulties and problems should be adopted from the region to leagues and cities, banners and counties, departments, units, towns and townships, and sumu. We must constantly hold talks with grass-roots cadres and the masses and rely on their efforts to solve problems.

With regard to grain work for 1986, Comrade Zhou Hui pointed out: The success in grain work for 1986 is of important significance for judging the whole situation in the future. The party organizations and the governments at all levels should pay full attention to this work. The general fighting goal is to ensure an increase in this year's grain output based on a situation in which we will suffer even more serious natural disasters than those of last year. First, we must persistently carry out reform and adhere to the readjustment of the production setup. But, the production setup will not be readjusted on a large scale this year. The grain-growing areas of the leagues and cities are allowed to maintain the levels of last year.

Efforts must be made to further implement and perfect the system of fixed quotas for grain purchasing on a contract basis. This system is not confined to the main varieties of grains. Foodgrains other than wheat and rice produced by remote and backward areas should be purchased on the basis of signing contracts according to the marketing and production situation. Second, we must try by every possible means to increase the per-unit yield of grain. Third, it is of more important that we should handle better the relations between the state and the peasants, and focus on balancing better economic relations. Generally, we must give full consideration to the interest of the state, the collectives, and the individuals under the circumstances of protecting the enthusiasm of the peasants.

The purchases of livestock products should be based on the principle of balancing the relations between the interests of the state, the collectives, and the individuals under the circumstances of protecting the enthusiasm of the herdsmen. At present we must focus work in the circulation field in the rural and pastoral areas on reform of the system of supply and marketing cooperation in order to really bring their roles into play.

With regard to the tasks in the Seventh 5-Year Plan period, Comrade Zhou Hui said that we must center on grasping the following three major tasks. First, on the premise of implementing the principle of developing a diversified economy by taking forestry and animal husbandry as the key links, we should firmly grasp grain production.

We must especially rely on the forces of the masses to attend to construction of grain production zones, including the Hetao area, Xiliao He basin, (Linnan), and (Tulechuan). Second, we must attend to transportation construction. Third, we must attach importance to education on science and technology. We should attend to the cultivation of talented persons on the basis of bringing into full play the functions of the existing talented persons. The region will gain reserve strength for development after 1990 and will be able to really turn its advantages of having natural resources into economic advantages if we achieve these three major tasks.

With regard to the issue of straightening out party style, Comrade Zhou Hui said: Straightening out party style should be carried out resolutely according to the guidelines of the directives of the central authorities, since it is a task of great importance. We must attach prime importance to strictly handling major and appalling cases. Leading organs at all levels, especially the leading organs of the region, should take the lead in handling these cases. Leading cadres should set an example for others, and the leading cadres who indulged in unhealthy practices should actively make investigations and corrections. We should also resolutely support the discipline inspection departments at all levels to firmly correct unhealthy practices. We must conduct ideological education among the broad masses of cadres and the people. Bad typical cases should be published in the papers through selection. In order to promote the four modernizations, we must attend to construction and legality for a long time to come.

Comrade Zhou Hui also talked about the issue concerning the construction of the leading bodies in his speech. He said: Over the past few years, we have extensively readjusted the leading bodies at all levels in accordance with the four requirements for cadres set forth by the central authorities. On the premise of readjusting, strengthening and stabilizing the leading bodies, achievements have been realized in cooperation between new and old cadres and replacement of the old by the new, the ranks of the cadres have become ladder-shaped in structure, and the lifetime tenure system for leading cadres has been abolished.

Comrade Zhou Hui also stressed that we should further strengthen unity. Generally speaking, the region's situation in unity has gradually gotten better and better over the past few years. The unity among the party members, between the cadres and the masses, and among the people of various nationalities has been successfully enhanced. The unity among the region, leagues and cities, banners and counties, departments, commissions, offices, and bureaus has also been strengthened. We must make further efforts to consolidate and develop unity between all fronts, especially between the people of various nationalities.

Finally, Comrade Zhou Hui emphatically pointed out: Leading cadres at all levels should enhance the study of basic Marxist theory. This is a task of important significance at present. We must study the basic principles of Marxism, including the Marxist stand, viewpoint and methods. At present we must pay special attention to studying the party's documents stipulated since the 3d Plenary Session of the 11th CPC Central Committee, including the line, principles and policies of the central authorities, and the important speeches of the principal responsible comrades of the central authorities. Cadres at all levels, particularly leading cadres at or above the banner and county level, should take the lead in studying these documents. In light of the principle of combining theory with practice, we must adopt Marxism to guide our reform and development. We must strengthen investigations and studies and make efforts to explore new ways in the course of practice. We should never work out any principles without investigation and studies. We must persistently transform our subjective world while transforming our objective world and speak and act in accordance with Marxist ideals and morality so as to maintain the purity of Communist Party members.

NI ZHIFU ADDRESSES TIANJIN RURAL WORK CONFERENCE

SK020600 Tianjin City Service in Mandarin 0030 GMT 2 Feb 86

[Excerpt] The municipal rural work conference continued its sessions on 1 February. At the conference, Ni Zhifu, secretary of the municipal CPC Committee, and Li Ruihuan, deputy secretary of the municipal CPC Committee and mayor of the municipality, delivered important speches on fostering the stragetic ideology of achieving unified development between urban and rural areas, doing a good job in integrating the transformation drive of urban areas with that of rural areas, and of upgrading to a new level the work of rendering service to urban areas and making rural areas wealthy.

In his speech, Comrade Ni Zhifu pointed out: In mapping out plans for municipal transformation and construction, efforts should be made to foster the stragetic ideology of achieving unified development between urban and rural areas. Such a strategy means, chiefly, that we should regard urban and rural areas as an entirety, or a whole. In discussing questions and making arrangements for work, efforts should be made to uphold the policy of overall consideration and all-round planning in order to achieve harmonious development and mutual prosperty between urban and rural areas and to gradually curtail the differences between urban and rural areas and between workers and peasants.

Following the ideas mentioned above, he expounded on the necessity and importance of fostering the stragetic ideology of achieving unified development between urban and rural areas by presenting four reasons and also put forward seven tasks for fulfilling the strategy of achieving unified development between urban and rural areas.

In his speech, Comrade Ni Zhifu emphatically noted the issue of straightening out party style. He stated: The municipal CPC Committee will resolutely support and implement the important policy decision and correct arrangements made by the CPC Central Committee. Through careful study, the municipal CPC Committee has formulated the following principles concerning the guiding ideology in straightening out party style:

1. Efforts should be made to earnestly study the spirit of the directives issued by the CPC Central Committee in order to deeply understand the importance of straightening out party style.

2. In conducting the work of straightening out party style, it is imperative to enhance leadership over the work, to resolutely grasp the work, and to grasp the work on a long-term basis and in a planned manner.

3. In straightening out party style, efforts should be made to proceed from investigating and dealing with concrete cases, particularly concentrating on investigating and dealing with major and serious cases.

4. Efforts should be made to correctly understand the situation by not only paying attention to the seriousness of malpractices, but also refraining from negating the main trend of development.

5. Efforts should be made to straighten out party style through studying the speeches given by the central leading comrades in order to promote or ensure the fulfillment of tasks in various fields this year.

At the conference, Comrade Li Ruihuan also delivered a speech, entitled "A Good Job Should Be Done in Integrating the Transformation Drive of Urban Areas With That of Rural Areas, and Upgrading to a New Level the Work of Rendering Service to Urban Areas and Making Rural Areas Wealthy."

GANSU'S LI ZIQI DISCUSSES LANZHOU'S REFORM

HK270737 Lanzhou GANSU RIBAO in Chinese 9 Jan 86 pp 1, 3

[Report by Chen Shaopei: "Leaders of Provincial CPC Committee and Government Hold On-the-Spot Office Meeting in Lanzhou"]

[Text] Lanzhou (GANSU RIBAO) -- On 8 January, the principal leaders of the Gansu Provincial CPC Committee and government and the responsible persons of the relevant departments at provincial level went to Lanzhou City to work on-the-spot to help overcome the city's difficulties and solve problems in the process of reform and economic development. They have clarified the guiding thoughts and some major measures to speed up the reform.

Since late August, the province and city have established a joint investigation team to make a prolonged, large-scale, joint investigation with a wide range and rich contents. This investigation has greatly improved people's understanding of measures concerning reform in Lanzhou City. Through the investigation, the province and city have exchanged views and unified their understanding. On the basis of this joint investigation, the provincial CPC committee and government held an on-the-spot office meeting to make a special study of Lanzhou City's economic structural reform.

The provincial leaders who attended the on-the-spot office meeting listened to a briefing on Lanzhou City's progress during the past year in carrying out its comprehensive urban reform, and its plan for continuing and deepening the reform They contended that, as a city where experiments are carried out for the comprehensive economic structural reform of our province, Lanzhou City has made quick and sound progress; scored clear achievements; created a fine situation in its reform in the past year or more; and that people can be basically sure of victory in the initial battle. The provincial CPC Committee and government are relatively satisfied with Lanzhou City's plan for continuing and deepening the reform and call on it to steadfastly try every means possible to ensure the implementation of the plan.

The on-the-spot office meeting was presided over by Jia Zhijie, deputy secretary of the provincial CPC Committee. Provincial CPC Committee Secretary Li Ziqi, Governor Chen Guangyi, and Wang Jintang, member of the Standing Committee of the provincial CPC Committee and secretary of Lanzhou City CPC Committee, gave important speeches.

Li Ziqi gave a long speech at the meeting. In his speech, he fully confirmed Lanzhou City's plan for comprehensive reform and stated that the plan started from Lanzhou City's position as the province's political, economic, scientific and technological, and cultural center. The all-round plan took account of long-term interests while being based on immediate interests, and thus embodied the principle of viewing the situation in totality. The plan's orientation of reform was relatively clear and specific and correctly selected the task of invigorating large and medium-sized enterprises as a point to make a breakthrough in the reform. The plan adhered to the correct principle of improving economic results and making a greater contribution.

Having fully confirmed the distinct achievements that Lanzhou City has scored in the past year or more, Li Ziqi pointed out that compared with the requirements of the CPC Central Committee and the provincial CPC Committee, and compared with the relatively quick progress in other city experiments, and in the light of Lanzhou City's important position as a central city for the whole province, the city's reform has still fallen short to some extent of what it is required to do.

He said that currently the economic structural reform, with urban reform as its focus, is at a critical juncture. We should sum up our experience and persist in continuing the reform. We should analyze the problems that have cropped up in our reform. Judging by the problems that have emerged in Lanzhou City's reform, most of them were caused by our lack of experience, both at upper and lower levels, concerning the question of how we were to develop the planned commodity economy on the basis of public ownership. They were also due to the fact that it was impossible for people's thoughts, habits, and work methods to be adapted in a short time to the transition from the old closed-type system to a new open-type system. Regarding these problems that were unavoidable in the process of the reforms, we can only solve them by means of the reform. We should by no means return to the old path because of these problems. There will be no way out if we do that. Our reform is a magnificent and complicated systems engineering project, and an undertaking that no one has ever tried before. Therefore, it is impractical to demand that no twist, turn, difficulty or problem will ever emerge in the process of reform. It is also impractical to demand that we will be able to make the reform benefit all the people to the same extent, and make them all favor the reform without reserve, in a short time. We must keep our minds sober, foster our confidence in a sure victory, continue to remove various interference, conscientiously solve the problems that have cropped up, and steadfastly carry on the reform. Even if we encounter various difficulties, we should think boldly, be good at exploring our way, forge ahead with a pioneering spirit, and carry out the great undertaking of reform to the bitter end.

In regard to the work of proceeding from reality in creating conditions for invigorating our large and medium-sized enterprises, Li Ziqi said that in his opinion the basic indicators for an enterprise to be regarded as being enlivened are as follows: The enterprise has to no longer be subordinate to government administrative departments; it has actually become a relatively independent socialist commodity producer and operator that is managed independently and that shoulders sole responsibility for its profits and loss; it is capable of accumulating funds for itself, transforming itself, and developing itself; under the guidance of state plans, it is able to not only obey the policies and decrees but also gives play to its advantages, develops its production and improves its economic results in accordance with its own management strategy and market demands; and that it pays taxes according to regulations, and thus makes a contribution to the state. Judging by the situation of reform in the past period, in order to actually make a breakthrough in enlivening our large and medium-sized enterprises and to satisfy the above-mentioned requirements, all the departments and sectors at all levels must make joint efforts both inside and outside our enterprises.

From the point of view of the affairs inside our enterprises: 1) We should continue to streamline our administration and decentralize our power. We should arrange a major investigation on the decentralization of power to ensure that the powers that should be transferred to our enterprises have not been taken back by the responsible departments, nor retained by intermediate links or coordinating departments. By so doing we will ensure that the power has really been transferred down to our enterprises. 2) We should weaken the intermediate tiers, reduce the social burdens on our enterprises, and exempt and reduce readjustment taxes. First we should consolidate our companies. In consolidating our companies, we should severely punish, and never indulge, those cadres who have exploited their power of office to pursue their private ends. While consolidating our companies, we should earnestly do a good job of transforming, reforming, and renting small state-owned enterprises. Second, we should reduce the social burdens on our enterprises. We must adopt resolute measures to put an end to the practice of unreasonably apportioning government expenses to our enterprises. Third, we should gradually reduce and exempt readjustment taxes.

In regard to advanced enterprises that have good economic results, make great contributions, and are heavily taxed under the readjustment tax, thus retaining a small portion of their profits, we should gradually reduce and exempt their readjustment tax in order to prevent the practice of "punishing the quick workers," and in order to create an equal environment for competition between our enterprises. 3) We should adopt preferential policies toward enterprises that we focus on to transform. We should choose a number of enterprises that produce quality products, that achieve satisfactory economic results, that are assigned with heavy tasks of transformation, and that retain a small percentage of their profits, and, under the precondition of refraining from reducing the income of the state, we should heighten the percentage of their retained profits through paying back what they paid to the state and through other methods. 4) We should perfect our market mechanism and provice services for our enterprises. We should continue to expand our consumer goods market, open up our means of production market, establish and develop our financial market, and vigorously develop various kinds of technological and information markets. In addition, our labor and personnel departments at all levels, and all units that employ people, should conscientiously encourage the reasonable movement of labor and enliven the exchanges of talented people. In short, we should strengthen and perfect our work in managing various kinds of markets, give full play to the function of our competition mechanism in eliminating poorly managed enterprises, and to the regulatory functions of various economic levers, and thus radically raise the economic results of our enterprises and our society as a whole.

We should look inside our enterprises, tap their potential, give play to their advantages, and enable them to have the strength to achieve sustained progress. This is the key to invigorating our enterprises.

In order to ensure the smooth progress of the reform, we must persist in simultaneously grasping the construction of the two civilizations. We should combine economic management with political management, and improve, through the reform, the political quality of our ranks of workers and staff as well as our economic results and social benefit. At present, we should attach particular importance to strengthening and improving our ideological and political work, deepen the education to turn our people into working people with lofty ideals, moral integrity, education and a sense of discipline, heighten our staff's and workers' awareness in adhering to the four basic principles, and enhance their ability to resist errosive capitalist and feudalist ideology.

Li Ziqi said that in the course of Lanzhou City's future reform, the provincial and city party and government organs, and the various vocational work departments, should continue to maintain and develop the spirit of vigorous cooperation with one another, adopt diverse measures and strive to chart a new path for the reform in a hinterland city. We should continue to transfer downward the power of examining and approving medium-sized and small capital construction and technological transformation projects, and reform our system of material and equipment management. We should open the city gates wide and enliven our circulation. We should open our city gates wider and make our market more enlivened and thus enable our central city to really play the role as a commodity distribution and material exchange center.

We should establish connections and provide services for the development of lateral contacts. We should gradually and satisfactorily organize the lateral economic links between the enterprises in the urban area; between the urban area and the three counties in Lanzhou City; between Lanzhou City and the prefectures, autonomous prefectures, and cities in central Gansu; between Lanzhou City and all the prefectures and cities in the province; and between Lanzhou City and other provinces. We should also develop economic and technological exchanges and cooperation with foreign countries. We should strengthen the construction of basic facilities and vigorously develop our tertiary industry.

Li Ziqi concluded by saying that the key now is to grasp the actual implementation, while the key to the actual implementation is to strengthen our leadership and transform our work style. In the course of implementing its reform plan, Lanzhou City must start to consider the issue concerning the reform of its leadership structure. As preconditions for the reform, we must consider the unity of management, the flexibility of command, and the unity between power and responsibility.

Leading groups at all levels should intensify their investigation and study, and go to the actual work sites to solve problems. They should popularize the successive experiences on the establishment of networks of contact points. Each leading comrade should have contact with an enterprise, county or district, and often go to his contact point for a few days, to listen to the voices of the cadres and masses at basic level and sum up experiences together with them. By so doing, our leading comrades will have the initiative in their hands in doing their work. They should persist in doing work on-the-spot to solve the problems right there. In regard to some major problems that have a bearing on the whole situation, the principle leading persons must personally grasp the work, unblock the channels of communication, coordinate the relations of various sectors, and make special efforts to study and solve them. The leading groups at all levels should focus on serving the basic level in transforming their work style.

He hoped that Lanzhou City would make more contributions and satisfactorily take the lead in developing the economy, reinvigorating Gansu and enabling the people to become rich.

LI ZIQI ATTENDS GANSU PROGRESSIVES RALLY

HK270840 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 29 Jan 86

[Text] This morning, 79 civilized markets, 15 branch associations of three-good individual laborers' associations, and 182 three-good individual laborers in our province were commended by the provincial Industrial and Commercial Administrative Bureau and provincial Individual Laborers' Association. The whole province now has 1,050 urban and rural markets and some 151,000 individual industrial and commercial households with some 226,000 workers. The workers and the masses of the urban and rural markets have done a lot of work to speed up the building of markets, to emphasize service work in the markets, to strengthen the management of the markets, to persist in fair dealings, to uphold the interests of the state, consumers, and producers, and to do well in market order, sanitation, and so on. A large number of advanced units have emerged. Individual laborers have scored certain achievements in developing production, promoting circulation, enlivening the economy, and making things easy for the masses.

Leading comrades of the provincial authorities, including Li Ziqi, Chen Guangyi, Guo Hongchao, He Jianshan, and (Yan Shuheng), attended the commendatory rally. Hia Zhijie, deputy secretary of the provincial CPC Committee, spoke.

GANSU HOLDS MEETING OF PROVINCIAL ORGAN CADRES

HK310517 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 28 Jan 86

[Text] This afternoon, the provincial CPC Committee held a meeting at the hall of the provincial government, of provincial organ cadres, at which the provincial CPC Committee mobilized the participants to correct and improve party work style. It urged provincial organs to take the lead in correcting party work style, and to set examples for the province.

Li Ziqi, secretary of the provincial CPC Committee, delivered a speech on how provincial organs could take the lead in correcting party work style and setting examples for the province. Chen Guangyi, governor and deputy secretary of the provincial CPC Committee, presided at the meeting and made a speech. Liu Bing, deputy secretary of the provincial CPC Committee, announced the 10 regulations of the provincial CPC Committee and government on improving the organ work style. Jia Zhijie, deputy secretary of the provincial CPC Committee, made a speech on a recent resolution of the provincial CPC Committee on sending some cadres to counties and townships for extricating the poor areas on contract basis from the poverty-stricken state.

Comrade Li Ziqi said: Over the years, the province's economic and political situation has undergone great changes. At present, the province has a good situation of struggling in a united manner and making concerted efforts for the four modernizations. However, the provincial organs also have their dark side. Some departments and units still practice various unhealthy practices, which are reflected by some party member and leading cadres. In addition, some of these are very serious. Therefore, in order to fundamentally change party work style and the general mood of society for the better, we must correct party work style, strengthen the building of the organs and improve the organs work. It is also important in expediting the building of the two civilizations.

Comrade Li Ziqi urged provincial organs to raise their consciousness of correcting party work style, so as to set examples for the province. At the same time, he urged them to deal resolutely with major cases.

Comrade Li Ziqi said: Everyone is equal before party discipline. Cadres at all levels must take the lead in correcting party work style and must assume responsibility for being the leaders. Party organizations at all levels must further perfect organizational activities, welcome the criticism and supervision of the masses, overcome bureaucratism and improve efficiency.

The meeting was attended by more than 1,300 people, including leading comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government and the provincial CPPCC, as well as provincial organ cadres.

QINGHAI NOTICE ON VILLAGE-LEVEL RECTIFICATION

HK270257 Xining Qinghai Provincial Service in Mandarin 2330 GMT 26 Jan 86

[Text] According to QINGHAI RIBAO, the party rectification guidance group of the provincial CPC Committee issued a circular on 14 January on launching party rectification at village level throughout the rural and pastoral areas. The circular demands that the province seriously implement the circular of the Central Commission for Guiding Party Rectification on arrangements for rural party rectification, and puts forward five demands on carrying out rectification at village level:

1. Seriously study and thoroughly appreciate and grasp the spirit of the circular of the central commission for guiding party rectification on rural party rectification.

2. Fully implement and fulfill the tasks and demands set by the central commission for guiding party rectification for rural party rectification.

3. Proceed from reality in making arrangements for party rectification at village level. Generally speaking, rectification of the village party branches throughout the rural and pastoral areas should start in January 1986 and be completed in spring 1987.

4. Pay strict attention to grasping the policies, to ensure the healthy development of party rectification.

5. Strengthen leadership and ensure that rectification in the rural and pastoral areas is completed with high standards.

SHAANXI'S BAI JINIAN AT ADVISORY COMMISSION FORUM

HK270947 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 23 Jan 86

[Excerpts] Yesterday afternoon [23 January], the fifth plenary meeting of the provincial Advisory Commisstion invited veteran comrades who had withdrawn from the advisory commission to a forum. Young and veteran committee members happily gathered under the same roof and cordially held a forum. Leaders of the provincial CPC Committee, including Bai Jinian, Li Qingwei, and Mou Lingsheng, attended the forum. Chang Lifu, member of the Central Advisory Commission, attended the forum by invitation. Leaders of the provincial Advisory Commission, including Zhang Ze, Zhang Guanghai, Bai Wenhua; and Chen Yuanfang, who had retired from his leadership post on the advisory commission, also attended.

Comrade Zhang Ze spoke at the forum. He said that the provincial Advisory Commission must act well as political assistant and staff officer to the provincial CPC Committee and work in compliance with the relevant regulations of the party. 1) It is necessary to lay stress on the method of work. 2) It is essential to attach importance to the study of theory. 3) It is imperative to maintain our revolutionary integrity in our later years; to set strict demands on ourselves; to act as models in abiding by party discipline and state law; to continuously maintain revolutionary traditions and character; and to resolutely resist the corrosive influence of decadent capitalist ideology. Moreover, we must be bold in struggling against violations of law and discipline and in exposing the problems in this aspect and teach our own children and relatives to abide by discipline and law.

Comrade Bai Jinian also spoke at the forum. He said that the comrades who have withdrawn from and newly entered the advisory commission, are all veteran members of our party and veteran cadres. They have worked hard for 40 to 50 years. These comrades have devoted the energies of a lifetime to the cause of the party and people. They scored outstanding achievements in the democratic revolution, socialist revolution, and construction. They have rendered meritorious service to our country and nation and our party and people will never forget them. Proceeding from the overall situation of the four modernizations, these veteran comrades have withdrawn from their leadership posts on their own initiative, stepped down to the second or third line, and offered their positions to young comrades. With their practical actions, they have set an example in pushing forward reform of the system of cadres and in implementing our party's policy on replacement of veteran by young members of the party's leadership groups at all levels and on cooperation between them. Over the past year, the provincial Advisory Commission has done a great deal of work. This centered on reform, party rectification, and the building of the socialist spiritual and material civilizations and scored outstanding achievements. I thank the veteran comrades for the assistance and support they have given to the provincial CPC Committee's work.

Comrade Bai Jinian hoped that the veteran comrades would pay attention to rest and health and have a long live, and that they would do what they are capable of to support localities and people in their work.

WEN WEI PO ARTICLE EXAMINES PRC RECTIFICATION

HK031548 Hong Kong WEN WEI PO in Chinese 1 Feb 86 p 3

["Special Feature" by WEN WEI PO reporting team in Beijing: "Rectification Is Gradually Advancing in Depth"]

[Text] In Beijing, a strong political current is whirling and pounding party and government organs and various social groups. This political currently had been brewing long before it turned into a violent shock wave at a recent meeting of party, government, and Army organs directly under the central authorities in which 8,000 people participated. The meeting called for resolutely rectifying unhealthy tendencies and said that this rectification should start with the central authorities and be expanded throughout the country. This has added to the vitality of the rectification of unhealthy tendencies and brought about a new situation in eliminating vicious trends in the economic sphere.

Social Contradictions in the New Situation

To study the political background for this 8,000-strong meeting, it is necessary review the social problem that have emerged since the implementation of the policy of opening up to the world and reforms.

Facts have proven that opening up to the world has enabled China to get rid of national seclusion, that introducing foreign technology, capital, and managerial knowledge has enlightened the Chinese people and promoted China's development, and that reforms are sweeping away various shortcomings, breaking many old ideas, and bringing about a profound change in China's economic structure. A new socialist mode with Chinese characteristics is taking shape.

Unprecedentedly rapid development has been noticed in China's society and economy, and the people's livelihood, which was at a standstill for 20 to 30 years, has now greatly improved. These vivid facts have passed a fair judgment on the policy of opening up to the world and on reforms.

However, we should admit that opening up to the world and reforms are being studied and that no formula can be made at present. Moreover, old social habits and forces are still in the way, obstructing the work of opening up to the world and reforms, or even causing them to change their direction. The idea "you have your policies and I have my counterpolicies" is creating obstacles to the progress of the work of opening up to the world and reforms.

Loss of control over prices has counteracted the benefit brought about by wage readjustment. The imperfection of the wage system reform has aggravated the contradictions between the people and caused a new situation of disequilibrium.

Nothing is more serious than unhealthy tendencies, which are corrupting party and government organs and their functionaries, deepening political inequality, and worsening the irrationality in economic distribution. The vicious practice of abusing power for personal gain by some priviledged people has become the target of attack.

There is an Unsteady Undercurrent

By opening up to the world and reforms, China has found the way to revitalize the Chinese nation and improve the people's lievlihood.

Normally speaking, an atmosphere of harmony and tranquillity could have been expected in Chinese society. But the facts have proven the reverse. An unsteady undercurrent remains hidden in the course of stability and prosperity.

The student riots during the commemorations of the September 18th and December 9th Movements last year were ignited by Nakasone's visit to the Yasukuni Shrine, but the deeper social cause was the shortcomings which have emerged in the course of opening up to the world and reforms: prices have risen, distribution is irrational, and the children of some high-ranking officials have engaged in vicious practices. Although these are not the products of opening up to the world and reforms, not everyone in society can soberly understand this point. Therefore, some people have taken this opportunity to direct the spearhead at opening up to the world and reforms.

Dissatisfaction has spread to some social strata. Take drivers as an example. Taxi drivers can earn 200 to 300 yuan a month, but public bus drivers get only half that amount. So public bus drivers undertook a slow-down, coming to work late and refusing to stop their buses at bus stops.

Although the dissatisfaction did not result in violence, it has revealed current social problems, which have aroused people's attention and consideration.

Rectification, Opening Up to the World, and Reforms

How should opening up to the world and reforms be carried forward? This is a major problem being studied by the central authorities.

For a time, there was rapid progress in opening up to the world and reforms. Following the building of the four special economic zones, the 14 coastal cities, Hainan Island, and the Chang Jiang and Zhu Jiang Deltas were opened; and the reforms of the enterprise management system, the price system, the planning system, the wage system, and the taxation system were all accelerated. But before long, all these were slowed down and more cautious action was taken.

Last year, the National Conference of Party Delegates was held, at which Zhao Ziyang put forward proposals on the Seventh 5-Year Plan and arrangements were made for personnel at the central level. What merits attention is that the conference seriously pointed out the necessity for strengthening political and ideological work and rectifying unhealthy tendencies. Deng Xiaoping and Chen Yun made important speeches on this problem. The process from studying economic reforms and personnel readjustment to pointing out the necessity for rectifying unhealthy tendencies indicated new progress made by the conference. It also suggested the impact the situation in China had produced on the conference. Before and in the course of the conference, the students' feelings were unstable and they were planning to wage a September 18th Movement.

At the beginning of 1986, the central authorities announced that no new measures would be taken in reforms this year and that they would consolidate, assimilate, and perfect what has been achieved in reforms. Subsequently, an 8,000-strong meeting of party, government, and Army organs under the central authorities was held, at which mobilization was made by rectifying work style, strengthening discipline, and improving efficiency.

All this reveals the following explicit points: Opening up to the world and reforms will be carried out in a more cautious and unhurried manner, and more importance will be attached to rectifying work style to provide the necessary conditions for the work of opening up to the world and reforms.

Severely Punishing a Number of People

The vast number of cadres of organs directly under the central authorities are studying the speeches delivered at the 8,000-strong meeting, along with correcting their work style, and in particular with rectifying economic unhealthy tendencies.

Some major and important economic cases are being exposed. The gold case and the Ma Xueliang case, which have been made known to the public, are just the prelude to the struggle. Many more can be expected. It is rumored that the daughter of a general is under arrest, that the secretary of a minister is being examined, and that the children of some leaders at a higher level will be questioned.

It is said that to carry forward this struggle, Deng Xiaoping has issued instructions to punish severely those who have committed crimes, whether they are high-ranking cadres or their children, and a number of people rather than just a few individuals will be seriously dealt with.

Rich banquets, which were usually served in party and government organs and enterprises, have now been replaced by cups of tea and plates of candies. From this small action, people can easily see that the current rectification of party style is quite different from that in the past. But will all this produce effective results? The crux lies in the determination of the central authorities: Can they get rid of all types of webs of relationship without sparing personal feelings? People are focusing their attention on this.

WEN WEI PO ON CURRENT SITUATION OF INTELLECTUALS

HK030943 Hong Kong WEN WEI PO in Chinese 28 Jan 86 p 7

["Special Feature" by special correspondent Li Min-Hua: "The Current Situation of China's Intellectuals" -- first paragraph printed in boldface]

[Text] AT PRESENT, INTELLECTUALS HAVE COMPLETELY EXTRICATED THEMSELVES FROM THE NIGHTMARE OF THE GREAT CULTURAL REVOLUTION, AND HAVE BECOME A SOCIAL FORCE ON WHICH THE STATE RELIES. THEIR LIVING AND WORKING CONDITIONS HAVE BEEN GREATLY IMPROVED. HOWEVER, THEIR SALARIES ARE STILL A BIT TOO LOW. THE INCOME OF A MIDDLE-RANKING OR SENIOR INTELLECTUAL IS STILL LOWER THAN THAT OF A WORKER OR TYPIST AT THE SHOUDU IRON AND STEEL COMPLEX.

While attending a Spring Festival forum for the intellectual circles held by the Central United Front Work Department on 3 successive days, intellectuals, in their speeches, expressed their sentimental attachment to the motherland and the people, their deep interest in their special fields of study, and their easygoing attitude toward their present meager lives. What they said called forth in the audience feelings of profound respect. Certain problems they exposed in their candid speeches concerning the implementation of the policy toward intellectuals involved political matters, professional work, and their living conditions. All this saddened the audience. As a reporter, it is my duty to accurately reveal these problems so that the departments concerned will pay attention to them and solve them as soon as possible.

Chinese Intellectuals have completely extricated themselves from the nightmare of the Great Cultural Revolution, and are regarded as part of the working class, and as a social force on which the state relies. Such a complete change in political standing has ushered in a new era for intellectuals. With the progress of the four modernizations program of the state, all trades and services have urgently needed technical reform, and the broad masses of workers and peasants are eager to study cultural knowledge.

The importance of knowledge has been emphasized and accentuated in an unprecedented way. Knowledge has become something ardently sought by society and the individual.

Intellectuals' working and living conditions have been considerably improved. A famous sociologist, Fei Xiaotong, spent more than 100 days last year traveling from the north to the south to conduct an extensive social investigation. Xiu Ruijuan, a specialist in the study of microcirculation, has establish a first-rate microcirculation research center. The center is continuously scoring new achievements in its research projects.

The situation of people of three generations living crowded together in a small room no longer exists among teachers in universities and colleges and research workers. They generally live in apartments with two rooms and a living room. Although the study is also used as a bedroom, their living conditions are still acceptable. They may now keep their minds on reading and writing when at home.

We should admit that the living standards of the broad masses of intellectuals have been improved.

The findings of a report accurately reflect the incomes of middle-ranking and senior intellectuals. The following figures were compiled by pharmacist Mrs Huang Liang, based on an investigation made in the Institute of Pharmacology under the Chinese Academy of Medical Sciences (see appendix).

To truly understand the significance of these statistics, the figures concerned should be compared with the price index, and with the personal incomes of people in other trades and fields.

Since the price index for Beijing is not available, I can only cite the following rough prices in markets and restaurants, based on information I collected myself.

When I visited a market, I discovered the price of pork: fat meat is 1.3 - 1.7 yuan per jin, whereas lean meat is 2.5 to 2.7 yuan per jin. The price of hen's eggs is 1.3 yuan per jin. Chinese cabbage is the cheapest vegetable, and its price is less than 10 fen per jin. The most expensive vegetable is blanched garlic leaves, and its price exceeds 1 yuan per jin. In a low-grade restaurant, the price of a dinner dish is 2 to 4 yuan. In a medium-grade restaurant, the price of a dinner dish is 30 to 50 percent higher than in a low-grade restaurant. In the Overseas Chinese Hotel where I live, a person might spend 10 yuan for his dinner.

APPENDIX

Statistical Chart of the Incomes of Medium-ranking and Senior Intellectuals

Number of People	Age	Length of Service	Salary	Percentage Increase
8	51-56	joined work in 1948-56	original salaries 89-126 yuan	actual increase 31-47.5 yuan
		length of service 29-37 years	present salaries 136-157 yuan	average increase 36.2 yuan
		average length of service 32.1 years	average salaries 147 yuan	percentage increase 36.2 percent
14	46-57	joined work in 1947-1960	original salaries 67-87 yuan	actual increase 34-46.5 yuan
		length of service 25-34 years	present salaries 97-123 yuan	average increase 31 yuan
		average length of service 29.1 years	average salaries 108.5 yuan	percentage of increase 40 percent
7	42-48	joined work in 1962-1968	original salaries 67-87 yuan	actual increase 26-36.5 yuan
		length of service 17-23 years	present salaries 97-123 yuan	average increase 31 yuan
		average length of service 20.9 years	average salaries 108.5 yuan	percentage of increase 40 percent
11	28-35	joined work in 1968-1978	originial salaries 55.5-57.4 yuan	actual increase 22-27.5 yuan
		length of service 7-17 years	present salaries 80-84 yuan	average increase 25 yuan
		average length of service 11.3 years		percentage of increase 43 percent
2	25-26	average length of service 2.6 years	original salaries 41.5-56.5 yuan	actual increase 14.5-32 yuan
			present salaries 71-73 yuan	average increase 25.6 yuan
				percentage of increase 77.5 percent

The above figures show that the salaries of the Chinese medium-ranking and senior intellectuals have increased by 30 to 40 percent. The state has considerably increased its financial expenses in this respect.

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LI XIANNIAN RECEIVES DANISH, PERUVIAN ENVOYS

OW040906 Beijing XINHUA in English 0844 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- Newly-appointed Danish Ambassador to China Arne Belling presented his credentials to Chinese President Li Xiannian here today. The ambassador arrived in Beijing on January 25.

On another occasion, Li Xiannian met Peruvian Ambassador Roberto Villeran Koechlin who presented his credentials to Chinese Vice President Ulanhu on December 30, 1985.

U.S. WEIGHS RESPONSES TO GORBACHEV PROPOSAL

OW041921 Beijing XINHUA in English 1908 GMT 4 Feb 86

[Text] Washington, February 4 (XINHUA) -- The United States is weighing three responses to Soviet leader Mikhail Gorbachev's recent proposal calling for the gradual elimination of all nuclear weapons, but a final decision is yet to be made. The U.S. National Security Council considered the three approaches at a meeting Monday. Today's NEW YORK TIMES disclosed the responses as:

-- U.S. Defense Secretary Caspar Weinberger suggested there is no need to change the U.S. position in the arms talks with the Soviet Union because Gorbachev's proposal of January 15 is a public relations effort of little substance.

-- In contrast, the Arms Control and Disarmament Agency wanted to respond positively to parts of the Soviet proposal. It called for "picking up" the Soviet suggestion to eliminate U.S. and Soviet missiles. The agency's approach also would seek a 50 percent reduction of Soviet SS-20 missiles in the Asian area of the Soviet Union.

-- The State Department offered the third response, which is similar on cutting medium-range weapons to the disarmament agency's proposal. It also suggested that the United States make moves in the area of strategic weapons and reassure the Soviet Union on U.S. intentions to honor the 1972 anti-ballistic missile treaty. The State Department's response favored amending the U.S. proposal to ban all mobile missiles. Instead it would seek a ban on multiple-warhead mobile missiles only. This would allow the United States and the Soviet Union each to deploy single-warhead nuclear missiles. The State Department also proposed that the U.S. take steps to shore up the 1972 anti-ballistic missiles treaty. This could include a commitment to honor the treaty for a specified period. State Department officials said Gorbachev's multipart proposal contained "some encouraging elements that require a positive U.S. response."

U.S. President Ronald Reagan is expected to respond formally to the Soviet leader's proposal in a letter. The U.S. also will seek suggestions from U.S. arms negotiators in Geneva and from European allies before issuing an official response. It is believed that the ultimate goals of the U.S. remain deep reductions in offensive arms and continued research on a space-based missile defense system, the Strategic Defense Initiative, popularly known as "star wars".

Gorbachev proposed that all nuclear weapons should be eliminated and that both superpowers should renounce development and deployment of "star wars" anti-missile systems. He also suggested that the two countries eliminate all of their missiles in Europe in the first part of his three-step plan. Britain and France would be allowed to keep forces during this stage but would have to agree not to enlarge them.

SOVIET MEDIA CRITICIZES REAGAN RESTATEMENT OF SDI

OW060737 Beijing XINHUA in English 0715 GMT 6 Feb 86

[Text] Moscow, February 5 (XINHUA) -- The Soviet Union today attacked U.S. President Ronald Reagan's State of the Union address as an indication that Washington was pressing ahead with plans to gain a free hand for a first nuclear strike through the "star wars" program.

The official Soviet news agency TASS, in a commentary from Washington, said that Reagan's annual address contained a "simplistic but very dangerous" approach to arms control. With the help of the "star wars" project, TASS charged, the United States "would like to make its nuclear arms arsenals invulnerable and to get a free hand for a first nuclear strike."

In his traditional speech to the Congress Tuesday night, Reagan announced his plans to increase defense outlay by about 25 billion dollars for the next fiscal year beginning October. According to the budget, spending for "star wars", formally known as the Strategic Defense Initiative, would rise to 4.8 billion dollars from this year's 2.7 billion. The draft federal budget was scheduled to be presented to Congress today. The President's speech, TASS said, boiled down to "the promise to continue the old policy of militarization, escalation of the arms race and its spread into outer space, state terrorism abroad and encouragement of 'big business' and curtailment of social programs at home."

On regional conflict, TASS accused the United States of trying "to incite local conflicts and expand intervention in the affairs of other countries" and following a policy of "threats and diktat." TASS also condemned Reagan's plans to cut social programs, saying he is following a policy of "guns before butter."

TASS deplored the fact that in his address Reagan failed to mention the latest Soviet disarmament proposals announced by Soviet leader Mikhail Gorbachev three weeks ago. So far failed to respond to the Soviet arms control offers. The Soviet Communist Party daily PRAVDA also denounced the "star wars" program. Assertions that the SDI program would go ahead despite last week's space shuttle Challenger's disaster showed the U.S. Administration's insensitivity, PRAVDA said.

EEC WILLING TO BETTER RELATIONS WITH CEMA

OW051634 Beijing XINHUA in English 1624 GMT 5 Feb 86

[Text] Warsaw, February 5 (XINHUA) -- The European Economic Community (EEC) has officially expressed willingness to resume negotiations with the Council for Mutual Economic Assistance (CMEA) on the normalization of bilateral relations, a local newspaper reported today. Willy de Clercq, president of the EEC committee, said in a letter to the CMEA general secretary that the EEC is willing to resume negotiations.

The CMEA suggested four months ago that the two economic communities restore bilateral relations. At the same time, the EEC committee suggested to the CMEA that each member state of the CMEA normalize diplomatic relations with the member states of the EEC. The committee emphasized that priority should be given first to the development of bilateral relations with individual socialist state before relations are normalized between the two economic groups.

High-level contacts on cooperation between the two European blocs started in 1977 but discontinued in 1980. For a long time the Soviet Union refused to recognize the FEC, though there have been some economic and trade agreements between member states of the two international organizations. In June of last year, when the Italian Prime Minister Bettino Craxi visited Moscow, the Soviet Union agreed to establish economic relations between the CMEA and EEC.

XINHUA NOTES SHULTZ REMARKS ON TIES WITH USSR

OW060804 Beijing XINHUA in English 0656 GMT 6 Feb 86

[Text] Washington, February 5 (XINHUA) -- U.S. Secretary of State George Shultz said today the Soviet Union "continues to pose the most profound challenges" to America but added that his country "must pursue constructive relations with the Soviets.

Speaking to the House Foreign Affairs Committee today, Shultz said U.S. security "depends on a poliy of realism, strength and a willingness to solve problems through diplomacy." He said the summit meeting between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev last November "was a good example, teaching some fundamental lessons about the conduct of diplomacy and negotiation in the modern age." Shultz stressed that American strength and constance of purpose "are a prerequisite to successful negotiations and a more constructive relationship with the Soviet Union." He said defense preparedness and maintenance of U.S. strategic modernization program, including the MX missile program and the Strategic Defense Initiative (SDI) program, remain "crucial."

"Now is the time to support our basic interests and our negotiating position at what could be a promising moment in the quest for a safer world," Shultz told the committee. He said the U.S. approached the Geneva summit "in a spirit of both aspiration and realism, and we will bring that spirit to our negotiations with the Soviets through the coming year." The U.S. "will pursue the Geneva negotiations with energy and good faith, and without artificial deadlines," Shultz said. He explained that the agenda for the summit planned for this year would embrace four sets of issues: arms reduction, regional conflicts, human rights and bilateral relations with the Soviet Union. However, the U.S. secretary of state did not say how Reagan would respond to Gorbachev's recent proposal for eliminating nuclear weapons in space and on earth by the end of the century. Reports said the U.S. has sent envoys to its allies for consultation, and there is word that the State Department favors some concessions while the Pentagon favors standing firm on past U.S. proposals. So far no date has been set for the summit meeting this year between Reagan and Gorbachev.

WEINBERGER SUBMITS 1987 DEFENSE BUDGET

OW060334 Beijing XINHUA in English 0243 GMT 6 Feb 86

[Text] Washington, February 5 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger today submitted to the Congress a 311.6 billion dollars defense budget for fiscal year 1987, up 33.2 billion dollars or 11.9 percent from the current fiscal year's 278.4 billion dollars.

The new defense budget, which represents 27.5 percent of the U.S. Government's total spending, projects total actual spending of 274.3 billion dollars in fiscal year 1987 starting October 1. This is an increase of 6.2 percent over the final estimated total of 258.4 billion dollars of outlays for the current fiscal year, which ends September 30. The proposed military budget would dramatically increase space defense spending and maintain virtually every other major weapon program intact. The research program of the Strategic Defense Initiative (SDI), known as "star wars," would grow from 2.75 billion dollars in the current fiscal year to 4.8 billion dollars in fiscal year 1987, which represents a 75 percent increase.

The budget also includes 1.4 billion dollars for development of a new, mobile missile nicknamed Midgetman and 1.8 billion dollars to buy 21 MX test missiles and conduct research on new ways to base the 10-warhead missile. It asks for 3.1 billion dollars to purchase the first 21 Trident 2 missiles and 721 million dollars to design a new attack submarine.

As for conventional forces, the new budget seeks purchases of 840 M-1 tanks, 870 Bradley fighting vehicles, 300 armed armored command post carriers, 144 AH-64 Apache attack helicopters and 78 Blackhawk troop-carrying helocopters for the Army. It requests to buy 21 new ships for the Navy, including two Aegis cruisers, three Aegis guided missile destroyers, two oilers and one fast combat support ship. Also included in the budget are 191 fighter and attack planes for the Navy and the 294 for the Air Force. The budget proposes an increase in active-duty personnel of almost 14,000 to 2.18 million and a 4 percent military pay raise effective October 1, 1987. The Reagan administration expects an 8.2 percent increase of the 1987 defense budget in real terms so as to overcome the 5.1 billion dollars in outlays cut this year under the Gramm-Rudman balanced-budget law. But the administration's military buildup has faced a strong opposition in the U.S. Congress in the recent years. Critics said the administration could expect to receive no more than 260 billion dollars for fiscal 1987 and cuts in defense authorization could range from 60 to 90 billion dollars.

ARMS SALE TO JORDAN POSTPONED INDEFINITELY

OW041957 Beijing XINHUA in English 1949 GMT 4 Feb 86

[Text] Washington, February 4 (XINHUA) -- The U.S. Administration, in an apparent attempt to avoid a virtually certain veto by Congress, has decided to postpone indefinitely a 1.9 billion U.S. dollar arms sale package to Jordan, officials reported today. Secretary of State George Shultz, acting at the direction of President Ronald Reagan, informed Congress of the decision in a letter yesterday to Richard Lugar, chairman of the Senate Foreign Relations Committee. In the letter, Shultz promised to give Congress 30 days' notice beofre proceeding with the Jordan arms sale.

This was the second time the U.S. Government delayed the deal. The sale was first postponed last October and had been scheduled to proceed on March 1 unless Congress blocked it. Sources said that Congress, spurred by pro-Israeli groups, had indicated it would block the sale of advanced U.S. air-defense equipment to the Mideast country unless Jordan's King Husayn agreee to enter into direct negotiations with Israel. According to administration officials, while they still hope to be able to offer the arms package, they acknowledged it was unlikely the issue will be raised again this year. Observers said that the decision to delay the sale indicated that, despite increased diplomatic efforts in recent weeks, there has not been any significant progress toward Mideast peace talks. Richard Murphy, assistant U.S. secretary of state for Mideast Affairs, went to Europe last month to confer separately with King Husayn and Prime Minister Shim'on Peres of Israel, but failed to achieve any concrete results.

XINHUA VIEWS REAGAN'S INTERNATIONAL ECONOMICS

OW010728 Beijing XINHUA in English 0710 GMT 1 Feb 86

["News Analysis: Reagan Switches His Stands on International Monetary Field" (by Zhao Zijian) -- XINHUA headline]

[Text] Washington, January 31 (XINHUA) -- The Reagan administration is trying to change its free-wheeling stance in favor of certain control in international monetary field. This weekend, officials of seven industrialized nations will meet in Honolulu to seek a joint strategy for the May summit in Tokyo. U.S. officials said future

Next Tuesday, Reagan was about to direct Treasury Secretary James Baker in his State of the Union message to study ways to improve the international monetary system, or ways towards a more stable exchanges market.

Until recently, Reagan believed currencies should float freely according to market forces, with limited intervention if it is urgently justified. But now it looks that Reagan may have accepted the position of Baker and Deputy Treasury Secretary Richard Darman, who insist that there should be some target zones defining the value relationships between the world's various major currencies. What Reagan administration is doing is designed to correct the mounting trade imbalances during Reagan's terms. The huge trade deficit is politically a black mark and economically very real threatening.

Last September, the U.S. convinced Japan, Federal Germany, France and Britain to help drive down the dollar, with warnings that the U.S. Congress may pass the various protectionist trade bills if no other ways are found to resolve the deficit problem. Although the dollar has devalued about 20 percent between now and then, economists believe it should down at least another 15 percent in order to be really effective in correcting U.S. trade imbalances. However, the Reagan administration is beginning worry that the dollar may reverse its course and move upward again, which will dash the hope of seeing the result of lower dollar on U.S. trade performance. Besides, protectionism, which has not died down yet, may be reignited.

Apparently, these days are the most crucial. Last year, as Thursday's statistics showed, U.S. trade deficit hit a record high of 148.5 billion dollars, with December deficit of 17.4 billion dollars alone exceeded the deficit for the entire year of 1976 when the deficit was 17.3 billion dollars. The record should be what economists called the "bottom," because for a period of time the U.S. businessmen have to pay more for imports and earn less for exports owing to the lower dollar. Eventually, the "J" curve, that is, a short period of worsening followed by long improvement upward, would occur, perhaps after a year or 18 months of correction. Under such circumstance, the Reagan administration has to discard its arrogance of the past and humbly asked the other industrial partners to continually cooperate on keeping down the dollar, in order to realize the results of the "J" curve.

COLUMNIST CRITICIZES PRAVDA ARTICLE ON CAMBODIA

HK051027 Beijing RENMIN RIBAO in Chinese 4 Feb 86 p 6

["Jottings" Column by Yang Ru: "Pravda Does Not Speak the Truth:]

[Text] A few days ago, PRAVDA carried an article obstinately asserting that the Cambodian issue has been solved "thoroughly and irreversibly" and, what is more, that the issue "has been solved by the Cambodian people on their own."

What does PRAVDA mean by the so-called "thorough and irreversible solution" to the Cambodian issue? It means that there is already a puppet regime in Cambodia, a puppet republic crowned with the name of the "Cambodian people." The article said: The "Coalition Government of Democratic Kampuchea does not have its own territory, its own people, or its own capital." The article even said: Actually, the so-called "Cambodian issue" does not exist; it is nothing but a "sheer invention" by Democratic Kampuchea, which "is now in its death throes."

In fact, we are afraid even Moscow itself may not believe that the Cambodian issue has been "thoroughly and irreversibly solved." If what the article claimed is true, why do 160,000 Vietnamese invasion troops still remain in Cambodia and why do the Vietnamese continue to send more troops to the country?

Even more ridiculous, PRAVDA concluded: "Let the disputes be eliminated at the conference table; and let the Cambodian people solve the Cambodian issue on their own, free of external intervention, and seek a compromise on the precondition that the Pol Pot clique is eliminated. This is the practical guideline for achieving normalization of the situation in the region." The article clearly revealed Moscow's plot. We cannot help but ask the question: If the "Cambodian issue" has already been "solved thoroughly and irreversibly," then what need is there to "eliminate" the disputes "through negotiations?" If the "Cambodian people have already solved" the issue "on their own," what is the need for them to "solve the Cambodian issue under the condition of no external intervention?" Obviously the article is illogical and self-contradictory, is it not?

To be frank, this is nothing strange. PRAVDA does not speak the truth, but tells lies. Therefore, the newspaper can hardly avoid contradicting itself.

GROMYKO URGES U.S. RESPONSE TO DISARMAMENT

OW040642 Beijing XINHUA in English 0630 GMT 4 Feb 86

[Text] Moscow, February 3 (XINHUA) -- Soviet President Andrey Gromyko today again urged the United States to respond to Moscow's latest disarmament proposal and its unilateral moratorium on nuclear tests, the TASS news agency reported.

In a Kremlin meeting with former U.S. Secretary of State Cyrus Vance, who is here on a private trip, Gromyko asked the U.S. Government to back up its words with deeds in an effort to eliminate nuclear weapons. "If the USA agrees to the Soviet proposals," Gromyko said, "their implementation could rid mankind forever of the nuclear threat, prevent the spread of the arms race into outer space and strengthen trust among countries and peoples," TASS said.

Last August, the Soviet Union unilaterally stopped nuclear tests and asked the United States to do the same. Soviet leader Mikhail Gorbachev announced on January 15 a proposal for ridding the world of all nuclear weapons by the year 2,000, and an extension of Moscow's nuclear tests freeze for another three months until March 31.

Calling for U.S. response to the tests ban, the Soviet president said a halt to the tests "could become the first and efficient step towards restricting the arms race." In a message two weeks ago, the Soviet parliament asked the U.S. Congress to use its influence with the U.S. Government to respond to the Soviet arms control offers. Gromyko said he hoped the American leadership would show political will to cooperate constructively with the Soviet Union on these issues. Vance replied that he favors an early search for accords along the road to the complete elimination of nuclear weapons, the Soviet news agency TASS said. He said the U.S. Government should "come up with a detailed point-by-point reply" to the Soviet proposals, according to TASS.

SHEVARDNADZE MEETS WITH U.S. AMBASSADOR

OW050400 Beijing XINHUA in English 0237 GMT 5 Feb 86

[Text] Moscow, February 4 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze today told U.S. Ambassador Arthur Hartman that if Washington joined Moscow in halting nuclear tests it would create a favorable backdrop for this year's summit meeting between the leaders of both their countries. The official Soviet news agency TASS quoted Shevardnadze as telling Hartman that he hopes there will be no delay by the U.S. in "answering important Soviet proposals." Observers say Shevardnadze's remarks seem to indicate that the continued failure by Washington to respond to Moscow's unilateral moratorium on nuclear testing would cast a shadow over the proposed Soviet-U.S. summit meeting, when Soviet leader Mikhail Gorbachev visits the United States at a date yet to be fixed. Gorbachev announced on January 15 an arms control proposal for eliminating all nuclear weapons in the world in three stages by the end of the century and an extension of the Soviet nuclear tests ban for another three months. The freeze, declared last August, was to expire after five months on January 1.

In their meeting today, which TASS said was at the request of Hartman, the two discussed "some questions of Soviet-U.S. relations," TASS said. The Soviet foreign minister said there is still time for the United States to join in "the extended Soviet moratorium." The Soviet proposals, he said, offer a way out of the nuclear talks impasse, TASS said. If the U.S. Administration stops its nuclear tests as the Soviets have done, it "will create a favorable background for the meeting of the top leaders of the two countries," Shevardnadze said.

SOVIET MEDIA ON U.S. 'INTERFERENCE' IN PHILIPPINES

OW060746 Beijing XINHUA in English 0734 GMT 6 Feb 86

[Text] Moscow, February 5 (XINHUA) -- The Soviet mass media in recent days have accused the United States of interfering in the Philippine election. The news agency TASS said today it is quite evident that the United States, by sending a delegation of observers to the Philippines, aims at "further aggravating the situation in that country." TASS charged that Washington by "bringing political, economic and military pressures to bear on the Philippines, wants to keep its position in the country."

The Communist Party newspaper PRAVDA said today it is impossible to believe that the presence of U.S. warships near the Philippines is not connected with the election in that country, though Washington has claimed that the move has nothing to do with the Philippine situation. A TASS commentary said today that both the New Society Movement headed by President Ferdinand Marcos and the United Nationalist Democratic Organization led by Corazon Aquino have avoided making definite statements on the future of U.S. military bases in their country. TASS did not indicate which side Moscow supports, but noted that Washington is in favor of Corazon Aquino because Washington is "irritated and uneasy" over Marcos's independent tendency in his foreign

TEXT policies. Imelda Marcos, the first lady of the Philippines, visited Moscow twice last year on official business. Friday is election day.

DEPUTY FOREIGN MINISTER KORNIYENKO LEAVES IRAN

OW041541 Beijing XINHUA in English 1506 GMT 4 Feb 86

[Text] Tehran, February 4 (XINHUA) -- Soviet First Deputy Foreign Minister Georgiy Korniyenko left here this morning after a three-day visit to Iran. According to Iran's official news agency, IRNA, he described his talks with Iranian officials as "frank, comprehensive and constructive". IRNA indicated that the relations between Iran and the Soviet Union would be improved though some differences still remained.

During his visit, Korniyenko met with Iranian Parliament Speaker Hashemi Rafsanjani, president 'Ali Khamene'i, Prime Minister Hoseyn Musavi and Foreign Minister 'Ali Akbar Velayati and held talks with Oil Minister Gholam Reza Aqazadeh and Deputy Foreign Minister 'Ali Mohammad Besharati. Today, he handed over a message from Supreme Soviet President Andrey Gromyko and conveyed warm greetings of Soviet leader Mikhail Gorbachev to President Khamene'i, IRNA reported. When he met with Foreign Minister Velayati Monday, they appointed heads of the joint economic commission which will resume its function at ministerial level in the near future. The commission has stopped work for several years.

Earlier, Iranian news papers had anticipated that Iran would resume its gas exports to the Soviet Union, which stopped in March 1980 because of disagreement on price. But this issue was not mentioned at the end of his visit. Korniyenko, who arrived here on Sunday, was the first high-ranking Soviet official to visit Tehran since 1979.

RYZHKOV SPEAKS ON SOVIET FOREIGN ECONOMIC TIES

OW060758 Beijing XINHUA in English 0710 GMT 6 Feb 86

[Text] Moscow, February 5 (XINHUA) -- Soviet Prime Minister Nikolay Ryzhkov said today that his country will not reject any chances to develop mutually-beneficial economic cooperation with foreign countries although it will rely mainly on its own resources to boost the economy.

On a Moscow-Davos television bridge, Ryzhkov told the participants in a symposium of the World Economic Forum held in Davos, Switzerland, that prospects are good for foreign countries to develop business cooperation with the Soviet Union during the next five-year plan period which begins this year. With improvement in the Soviet economic mechanism and higher efficiency of its foreign trade, he said, new forms of economic cooperation with foreign countries will emerge in the future. He told his audience that the possibility of establishing close scientific and technological ties with companies and enterprises in capitalist countries cannot be ruled out although there have been direct links of production between the Soviet Union and its East European allies. He added that the Soviet Union will not reject the offers of Western companies to invest in this country but the financial resources for developing the Soviet economy will come primarily from within the country.

Ryzhkov also took the opportunity to lash at the United States and some other Western countries for undermining international economic cooperation by adopting discriminatory measures such as trade embargo and restrictions on financial credits. A healthy inter-state economic relationship, he noted, can only be established on the principles of total equality, mutual benefit, strict observation of existing agreements and non-interference in internal affairs.

LAST LINE

LIAOWANG ANALYZES SHEVARDNADZE JAPAN VISIT

HK060524 Beijing LIAOWANG in Chinese No 4, 27 Jan 86 p 8

[Article by Liu Ye: "The Soviet Foreign Minister's Visit to Japan"]

[Text] Soviet Foreign Minister Shevardnadze made a 5-day official visit to Japan that began on 15 January, thereby resuming regular consultations between the foreign ministers of the two countries after an 8 year interruption. A joint communique issued at the conclusion of the visit indicated that the two countries will start afresh negotiations on a peace treaty. Japanese-Soviet relations, which have been cool for a long time, have thus begun to ease.

Since Gorbachev occupied the position of Secretary General of the CPSU Central Committee in March 1985, the Soviet Union has focused its attention on improving relations with Japan. In his personal letter to Japanese Prime Minister Yasuhiro Nakasone last October and in his Supreme Soviet session speech last November, Gorbachev expressed a strong desire to improve Soviet-Japanese relations. This trend was embodied in the recent visit to Japan of the Soviet foreign minister.

Changes in Soviet policy toward Japan have always been linked with its strategy toward the United States. During the second session of talks between the Soviet and Japanese foreign ministers on 16 January, Shevardnadze officially proposed to convene a conference to ensure Asian security. Observers declared that this proposal was aimed at containing Japan and barring it from participating in research in the U.S. star wars program and to drive a wedge in the Japan-U.S. alliance in order to improve the Soviet Union's passive position in the Pacific region.

The Soviet Union changed its cold attitude toward Japan for political and economic reasons. After the Soviet invasion of Afghanistan, the United States and Japan adopted economic sanctions against the USSR. Economic exchange between the Soviet Union and Japan is gradually narrowing and the volume of trade between the two countries is sharply decreasing.

Although the Soviet Union has strengthened its economic ties with West European countries during this period, the heavy equipment it so badly needs for the development of its resources is under U.S. control, while Japan is a leader in electronic technology. This is why, in recent years, the Soviet Union has strived so hard to cooperate with Japan.

Besides, Gorbachev recently set the task of doubling the national income and gross industrial production of the Soviet Union by the year 2000. In connection with this, during the 12th 5-Year Plan which began this year, the Soviet Union will intensify construction of fundamental branches of industry and expand enormous energy to develop its resources in Siberia. To achieve this aim, cooperation with Western countries in the economic and technical spheres is essential.

Consequently, one of the main aims of the Soviet foreign minister's visit was to strengthen economic ties with Japan. On its part, Japan also devotes serious attention to resuming regular consultations between the foreign ministers of Japan and the Soviet Union and improving relations between the two countries.

In view of the intensification of the international situation, Japan has also sought since last year ways to broaden its dialogue with the Soviet Union. In order to further enhance Japan's role as a political power, Prime Minister Yasuhiro Nakasone perceives improvement in Japan-USSR relations as the last barrier to realizing a final solution -- in the diplomatic sense -- of the questions left over by World War II. In order to enhance Japan's position in the international arena, he considers it essential to maintain a dialogue with the other superpower.

On the other hand, the time has come for an improvement in Japan-USSR relations because of the Geneva summit meeting between the United States and the Soviet Union.

The recently announced Soviet-Japanese plan for Japanese cooperation in the construction of four major chemical combines valued at a trillion Japanese yen is extremely attractive in Japanese economic circles. Japan's periodic trade friction with the United States and Europe has also caused Japan to consider opening up an export outlet to the Soviet Union to offset the drop in exports to the United States and Europe. Everyone knows that the issue of Japan's northern territories is the major obstacle in improving Japan-USSR relations. The demand that the Soviet Union return the northern territories is Japan's invariable position, and a longstanding wish of the Japanese people.

During the talks, the foreign ministers of the two countries engaged in a heated argument on the question of the existence of a territorial issue between the two countries. The Japanese side repeatedly stressed that a solution of the territorial issue was the main topic for discussion at regular consultations between the foreign ministers, and a peace treaty could be concluded only after solving this issue.

Although at the beginning of the talks both sides stuck to their respective positions and would make no concessions to one another, they agreed after lengthy discussion to return to the basis of the joint communique of 1973, in other words, as the 19 January joint communique declared, to renew talks on concluding a Japanese-Soviet peace treaty, in the course of which issues left unresolved since World War II, which were affirmed in the 1973 joint Japanese-Soviet communique, will be discussed.

The Japanese Government considers this a Soviet concession because the territorial issue must be included in the unresolved issues. However, the Japanese public does not view this so optimistically and feels that the Soviet Union has not changed its previous position in any way and is trying to gain economic advantage in a roundabout way without striving for the superficial, to seek practical interests. This approach is far from a sincere solution of the territorial issue.

Despite the fact that many contradictions exist between Japan and the Soviet Union, both sides, in their own interests, want to normalize the climate for broadening the dialogue. Before his departure from Tokyo, Foreign Minister Shevardnadze invited Prime Minister Nakasone to visit the Soviet Union, and Nakasone invited General Secretary Gorbachev to visit Japan. Commenting on the latest consultations between the foreign ministers of Japan and the Soviet Union, KYODO NEWS AGENCY noted that, although the consultations were held in a warm atmosphere, little substantial progress was achieved. The territorial issue also remained unresolved. KYODO also stressed that, under conditions of further increases in arms in the Soviet Far East, the Soviet threat will not decrease and, in connection with this, the Japanese Government is adopting an attitude of vigilance toward the Soviet strategic design.

WORKING GROUP SEEKS HONG KONG VIEW ON BASIC LAW

OW051621 Beijing XINHUA in English 1612 GMT 5 Feb 86

[Text] Hong Kong, February 5 (XINHUA) -- A Chinese working group on Hong Kong's basic law left for Beijing today after spending a month here. The 12-strong group, led by Lu Ping, general secretary of the State Council's Hong Kong and Macao Affairs Office, came to seek local opinions on the structure and content of the basic law. The law will spell out the system to operate in the Hong Kong special administrative region after China resumes sovereignty in 1997.

During their stay here, the working group met 1,100 people from various sections of society at more than 100 meetings. The group also visited government institutions, law courts, the stock market, factories, wharfs, schools, cultural centers, monasteries and the race course. They will submit the opinions they have collected to the second meeting of the Hong Kong Basic Law Drafting Committee, which will be held in Beijing in April.

CHINESE EXPLOSIVES SUCEED ON HONG KONG MARKET

HK050442 Beijing XINHUA Hong Kong Service in Chinese 0741 GMT 24 Jan 86

[Report by Li Xianhua: "From 0 to 40 percent -- An Account of the Process of Opening Up the Hong Kong Market to China's Explosives for Civilian Use"]

[Text] Hong Kong, 24 Jan (XINHUA) -- Hong Kong is a hilly island with little land, so in building houses and roads, blasting is often necessary to tunnel through mountains and split rocks. The demand for explosives and equipment to do this work is great, and the annual sales volume of such materials amounts to HK$25 million. At present, China holds 40 percent of the market for these products, but 4 years ago, China's explosives for civilian use had no place in the Hong Kong market. How is it possible for China's explosives to be so strong now on the Hong Kong market? We must begin with the general agent -- Lidashi [0448 6671 2514] International Development Corporation, Ltd.

The Difficulties Involved in Building the Business

When China's foreign trade department concerned was studying the market situation with some Hong Kong businessmen in 1981, they found that the market for explosives in Hong Kong was monopllized by foreign products. It was regrettable that China, which first invented explosives, did not even have a place in the market. In order to break this situation, they came together and began market research. They sent their men to large construction sites to determine the demand for explosives for civilian use and the specifications, prices, and origins of these explosives. Then they made contact with relevant departments of the Hong Kong Government and submitted their application for a license to operate. At the same time, they held several trial blasts of Chinese explosives. They invited relevant officials of the Hong Kong Government and the press, and the experiment was conducted by the "explosives kings" [pao wang 3514 3769] of Hong Kong. The result of the tests proved satisfactory. The "explosives kings" held that China's explosives were competitive with foreign products, the price was comparatively low, and they had bright prospects. At the same time, they made some suggestions on improving the quality of China's explosives.

After 9 months of preparation, "Lidashi International Development Corporation, Ltd", the sole agent for China's explosives, formally began operations on 21 July 1982 in Hong Kong, beginning a move into the Hong Kong market.

Establishing a Good Reputation

At the initial stage of setting up the business, the sale of Chinese explosives was very limited. Explosives are dangerous and they cannot be shipped with other goods, so shipping costs are especially high and often incur great losses. In order to keep the new business going, Lidashi Corporation swallowed losses for 6 months, before the situation turned. Marketing expanded to a certain degree and clients became steady. The company began to make some money.

In order to guarantee the prompt delivery of orders, Lidashi Corporation has the close cooperation of customs officials. Its trucks pass customs early in the morning every day carrying some of the goods shipped to Hong Kong from the warehouse in Shenzhen.

Another notable example of maintaining a good commercial reputation at all costs is the supply of ammonium nitrates. At the initial stage of operations, factories in the hinterland did not have ammonium nitrate products to use for explosives. They had to rely entirely on foreign products. This method continued until a businessman of a certain country, who had supplied the ammonium nitrate, suddenly broke his word and suspended the supply. However, Lidashi did not stop supplying its clients and continued delivering explosives to them. It cost them five times the price for ammonium nitrate, but they did not raise the charge to the customers. The company thus established a good reputation for keeping its word and attaching importance to contracts.

Promoting Production With Marketing

China used to produce ammonium nitrate in the past, but it was mostly used in insecticides for farming and was not suited for explosives. This is because ammonium nitrate for explosive purposes should be granular and finely porous. Having experienced the lesson of a suspension in the supply of foreign products, Lidashi contacted departments concerned in the hinterland and sent samples of foreign ammonium nitrate to factories for research and trial production. In a few months, a factory in Nanjin succeeded in trial producing finely porous, granular ammonium nitrate, and it was produced in large quantity for export. Moreover, China-made ammonium nitrate is cheap and of good quality. It was rapdily accepted by clients. Today, China-made ammonium nitrate takes up 70 percent of this category in the Hong Kong market.

Lidashi Corporation has not only opened up an overseas market for China's explosives, but has helped in importing new technological information, which stimulates the factories in the hinterland to upgrade the quality of their products. An example, is the fuse. It was originally made with cotton yarn, but this easily knotted and became damp. Later it was improved by using plastic instead of cotton yarn to suit the requirements of the overseas market. Another example is the detonator. Formerly, China-made detonators only had 19 sections to delay explosion. Today, detonators are produced that meet the international standard of 30 sections. The rate of forming a complete set of China-made explosives for civilian use has been raised, and sales abroad have been promoted as well.

Both Parties in the Joint Venture Cooperate in Sincerity

Lidashi International Development Corporation, Ltd. is a joint venture of China Beifang [Northern] Industrial Company and a Hong Kong agent for the marketing of China's explosives in Hong Kong and Southeast Asia.

Another important factor accounting for the success of Lidashi Corporation in popularizing China-made explosive products in the Hong Kong market is the sincere cooperation between the two parties. They are not preoccupied with personal gains or losses, but have worked to open up the market abroad with heart and soul. The personnel concerned of the China Beifang Company modestly listen to and respect the suggestions of their Hong Kong partners on opening up the market and improving their products. In the course of operations, they have strictly abided by the accord and taken into consideration the interests of their partner. The other party has been enthusiastic and active and brought into full play their favorable conditions. They have made use of their social connections, expanded the marketing channels, and imported advanced products and technology. They have exerted their efforts in everything, effecting a rapid change in the situation. Such spirit of cooperation has helped Lidashi Corporation to overcome difficult situations on several occasions and to continue to develop its operations.

Through 4 years of hard work, China-made explosive products have now a rather solid foundation in the Hong Kong market. To Lidashi Corporation, this is only the beginning. The corporation is now working hard to continuously improve its products in order to promote the sales of Chinese explosives in all parts of the world, with Hong Kong as a display window.

MARCOS: TREATY NEEDED ON U.S. PHILIPPINE BASES

OW051850 Beijing XINHUA in English 1839 GMT 5 Feb 86

[Text] Manila, February 5 (XINHUA) -- President Ferdinand Marcos today stressed the need for renegotiation with the United States over the agreement on the two U.S. military bases in the Philippines before the agreement expires, said a presidential press release. Replying to a query by interviewer Ted Koppel in an U.S. television program "Nightline", the president said he has always maintained that the agreement on the Subic Naval Base and the Clark Air Base are needed by both the Philippines and the United States, and probably even Asia and the whole world. Marcos said, "Certainly, we would not stop you if you want to get out of the Philippines, but you will not be able to find replacements for Subic and Clark. But you are free to get out any time you think it wise to do so."

He explained that before the bases agreement expires in 1991, there must be negotiations on the use of the military facilities to put them under a formal treaty which should spell out clearly and categorically the obligations of each government. Under the present arrangement, "we have to beg from the U.S. Congress for what we consider your obligation as compensatory military package in payment for the military facilities which you do not consider as obligations, and this is very disappointing," he said.

Marcos' only opponent in the February 7 presidential election, Corazon Aquino, stated two days ago that she does not propose to renounce the existing military bases agreement. But before the agreement expires, a process of consultation will be undertaken so that an arrangement serving the best interest of the entire free world, and especially of the Filipinos, can be reached.

PHILIPPINES' CARDINAL SIN URGES CLEAN ELECTION

OW050743 Beijing XINHUA in English 0730 GMT 5 Feb 86

[Text] Manila, February 5 (XINHUA) -- Jaime Cardinal Sin, the influential archbishop of Manila, today appealed to President Marcos to ensure a clean and honest presidential election on February 7 amid reports about possible massive cheating and fraud.

Speaking at a press conference in his residence, Cardinal Sin noted that there was indications that those who are in power were abusing their authority. The coming election would be viewed as a manifestation of democracy in action, he said, adding in his open statement "ordinarily I would welcome such an exercise. Instead, I view it with fear and trembling." If the presidential election is marred by terrorism and vote manipulation, the consequences would be "dire", he warned. He emphasized that the election will be clean, if President Marcos wants it to be clean, because "it is he who holds the reins of power."

This is the third time that the Catholic Church in the Philippines officially expressed their views on the election. On January 19, Cardinal Sin published a letter, saying that there was a very sinister plot by some people and groups to frustrate the honest expression of the people's genuine will and money has flowed freely into the hands of common people to induce them to support particular candidates. On February 2, the Catholic Bishops Conference of the Philippines expressed in a joint pastoral letter their apprehension of flagrant violation of the electoral process, and said vote-buying, serious lies, black propaganda and physical violence and killings were happening. The letter called for vigilance to ensure the election to be free, honest and clean.

MARCOS REFUSES TO COMMENT ON WW II ACTIVITIES

OW261918 Beijing XINHUA in English 1830 GMT 26 Jan 86

[Text] Manila, January 26 (XINHUA) -- President Ferdinand Marcos today refused to comment on U.S. newspaper reports that he had worked with Japanese forces during the Second World War. He appeared before some 3,000 recruiters, overseas contract workers and their families in a basketball stadium here but declined to discuss published reports that he collaborated with occupying Japanese forces.

Marcos had claimed that he had led a guerrilla unit named "Ang Mga Maharlika" (the noblemen) in military operations against Japanese forces from 1942 to 1944. However, U.S. newspaper WASHINGTON POST earlier reported that documents culled in the U.S. Government archives suggest that Marcos did not head the guerrilla resistance unit but actually worked on behalf of Filipino politicians who collaborated with the Japanese forces. The report said Marcos promoted the cause of wartime president Jose P. Laurel, Sr., father of opposition vice-presidential candidate Salvador Laurel. The question whether Marcos was a heroic guerrilla leader has become a controversial issue during the current campaign between the president and the opposition leaders.

MILITARY ASSIGNED TO PROTECT PHILIPPINE BALLOTING

OW041610 Beijing XINHUA in English 1445 GMT 4 Feb 86

[Text] Manila, February 4 (XINHUA) -- The Philippine Armed Forces have assigned about 83,400 military men to all parts of the country to prevent violence in the coming Friday's presidential elections. This was announced here today by Lt. General Fidel Ramos, vice chief of staff and chief of the Philippine Constabulary. This does not include reserve forces for security missions against what he termed as "terrorist groups."

There are altogether some 250,000 enlisted men and officers in the Armed Forces of the Philippines. Ramos said that an average of six to seven police and constabulary special contingency teams have been created in each of the 74 provincial commands. At the same time, reserve units have been organized in all the 13 regional commands, he added.

Earlier in Davao City of the southern island of Mindanao, Ramos had expressed his confidence that the coming presidential elections could be conducted peacefully. As of February 2, however, the death toll in election-related violence has reached 40. The Catholic Bishop's Conference of the Philippines issued on January 25 a strongly-worded pastoral letter expressing "grave concern and great sadness" that electoral violence "is threatening to escalate to a level never experienced before".

MARCOS WARNS OF ARREST FOR PROTEST INSTIGATORS

OW051901 Beijing XINHUA in English 1848 GMT 5 Feb 86

[Text] Manila, February 5 (XINHUA) -- Philippine President Ferdinand Marcos today warned that he will order the arrests of those opposition leaders who will lead protest actions after the February 7 poll. The president made the warning in his address before some 150,000 persons who attended a grand political rally in a public square here.

He said the arrests of the opposition leaders will be his answer to the recent statement of opposition candidate Corazon Aquino that a civil war will erupt should Marcos cheat in the poll. He denied he will cheat, and promised that there will be an "honest, peaceful, and orderly" election, which he said he will surely win. He said that the government will fight the opposition with "legitimate force" if they insist on what he termed as "sowing violence, anger, hatred and civil war." He said he would order to arrest them if they don't desist from committing "acts of violence and vandalism."

There were reports of violence as followers of both camps today clashed and stoned each other in at least six Manila districts. Police said several arrests were made and an undetermined number of ruling party supporters suffered minor injuries. The watchdog commission on elections, meanwhile, announced that results of the nationwide presidential poll will be known in just 10 hours after the balloting.

BEIJING VIETNAMESE PROGRAM ANNOUNCES NEW FEATURE

OW040001 Beijing in Vietnamese to Vietnam 1100 GMT 3 Feb 86

[Text] Dear listeners: Over the past years, our station has received many letters from Vietnamese refugees asking for help in seeking information about their missing loved ones or in relaying their messages to Vietnam. "Ngoc Anh Letterbox" has so far helped in this matter.

At the request of these refugees and in the service of those awaiting news from the former, beginning 9 February, after the transmission of daily news during our station's broadcasts, and apart from the cast featuring "Ngoc Anh Letterbox," we will add the feature: "Relay of Messages." Please listen for it.

TEXT JOINT OFFSHORE OIL CONTRACT SIGNED WITH UK FIRM

OW051307 Beijing XINHUA in English 1231 GMT 5 Feb 86

[Text] Beijing, February 5 (XINHUA) -- China National Offshore Oil Corporation (CNOOC) and British Cluff Oil P.L.C. signed a contract here this afternoon on joint oil exploration and development in a block awarded to the British company in the southern part of the Yellow Sea.

This is the fifth contract signed in the second round of Sino-foreign joint offshore oil exploration and development, which started in November 1984, CNOOC said. The British company was awarded a block in the northern part of the Yellow Sea in the 1982—1983 first round of bidding. Now 55 percent of the participating interests for the contract block has been transferred to the Norwegian Statoil. Drilling operation there is expected to start this year. Cluff has its share in a contract block in the Beibu Gulf of the South China Sea.

UK DEFENSE SECRETARY STRESSES EUROPEAN UNITY

OW050759 Beijing XINHUA in English 0738 GMT 5 Feb 86

[Text] London, February 4 (XINHUA) -- British Defense Secretary George Younger today stressed the importance of European cooperation in the development and production of defense equipment but warned it must not be done in the spirit of anti-Americanism. Opening a conference of European NATO states' research laboratory directors in London, Younger said the intention of closer European defense research was to strengthen NATO "by strengthening the European contribution to it." It is not intended "to be anti-American or divisive within the NATO alliance," he said. The new defense secretary paid tribute to some positive results of European cooperation such as the Tornado fighter aircraft but he avoided to mention the latest project, an European battlefield helicopter, to which his predecessor Michael Heseltine had put so much significance during his campaign for a European consortium's rescue offer for the near-bankrupt British helicopter maker, Westland.

Heseltime, who resigned as defense secretary January 9 at the height of the Westland political crisis, today also talked about the importance of European defence cooperation to another audience, a group of London businessmen. According to the former defence secretary, there will be a wave of anti-American sentiments in Europe if the ailing Westland company accepts a rival rescue bid from the U.S. Sikorsky company, the world's biggest helicopter firm. The two-day London conference of national research directors, the first of its kind, is actually the brainchild of Heseltine. Its participants represent 11 European NATO countries and about 100 governmental and other research institutions.

STATUS OF U.S. BASES IN GREECE UNDER DISCUSSION

OW051930 Beijing XINHUA in English 1922 GMT 5 Feb 86

[Text] Athens, February 5 (XINHUA) -- U.S. Assistant Secretary of State Rozanne Ridgway is expected to discuss the future of U.S. military bases in Greece during two days of meetings with Greek officials. In addition to preparing for U.S. Secretary of State George Shultz' visit next month, she will meet with Greek Prime Minister Andreas Papandreou, Deputy Prime Minister Ioannis Kharalambopoulos, Minister of National Economy Konstandinos Simitis and other leaders.

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Greece signed a military and economic agreement with the United States in 1983 to allow the four main American bases and other affiliated facilities to remain in Greece for another five years. Washington reportedly is eager to have the Greek Government clarify its position about the future of these bases after 1988. The United States wants to use the bases in exchange for their military and economic aid to Greece. But Papandreou insists his government will adhere to the "conditions and timetable" of the agreement. Observers here believe that because the United States and Greece have improved relations, an arrangement agreeable to both countries will be worked out on keeping the bases in Greece. The Greek newspaper ESTIA, said in a recent commentary that the government seemed to have given enough assurances to the United States that the future of the American bases in Greece "is not in real jeopardy." "The concessions on Greece's part will probably take the shape of amendments to the original agreement which will keep the Americans happy, while also giving the Greek Government the opportunity to declare once again that the struggle is now being vindicated," the paper said.

RIZOSPASTIS, the organ of the Communist Party of Greece, criticized the government of playing the game of "hide and seek." An editorial in its latest issue said that Ridgway "is coming to Athens primarily to secure a Greek OK to the bases." Ridgway arrived in Athens after holding talks with Turkish leaders in Ankara.

FRANCE DENOUNCES SEA TRANSPORT ACCORD WITH USSR

OW041403 Beijing XINHUA in English 1318 GMT 4 Feb 86

[Text] Paris, February 4 (XINHUA) -- France Monday denounced an agreement on maritime transport signed between the Soviet Union and France in 1967. The French Ministry of Industrial Redeployment and Foreign Trade said that the reason for the denunciation was an "enormous imbalance" in favor of the Soviet Union in trade exchanges between the two countries.

The abolition of the agreement will not be effective until August 1, six months after the denunciation was made according to an AFP report. During the six months, while a renegotiation on the agreement will be held, France "will also take into account of the espionage activities conducted by certain Soviet vessels in French ports near a military base," said the ministry. The decision was made after France expelled four Soviet diplomats over the weekend following the discovery of a retired French Navy officer spying for Moscow. It was the most important expulsion of Soviets from France since 1983 when 47 Soviet officials were driven out of the country.

In a statement issued Monday afternoon, the Soviet Embassy in Paris said that the expulsion was an unfriendly "manifestation" and "provocation," saying that France should bear the "responsibilities of the consequences of this action." Reportedly, the Soviet Union has also expelled four French diplomats in retaliation of the French expulsion of Soviet diplomats over the weekend.

CASTRO NOTES SINO-CUBAN RELATIONS AT PARTY CONGRESS

OW051910 Beijing XINHUA in English 1854 GMT 5 Feb 86

[Text] Havana, February 4 (XINHUA) -- Cuban Communist Party [CCP] General Secretary Fidel Castro today called on the United States to hold dialogues with Cuba on the basis of equality and mutual trust. In his keynote speech to the Third CCP Congress which opened here today, Castro said Cuba is willing to normalize relations with the United States. However, this is possible only if Washington is willing to conduct serious negotiations with Cuba "in the spirit of equality and full respect for each other", he added. The Cuban leader reiterated that the Soviet Communist Party is the "closest friend and best political ally" of Cuba and that the country will accelerate the integration of its economy with Comecon, the East European economic group.

He also said that to deal with the complicated world situation today, the views of China on major international issues can not be neglected. "Sino-Cuban relations have been developing healthily," but the two countries have "disagreement on some international affairs" which impede the "genuine improvement" of bilateral relations, he said.

Castro also called for the settlement of Central American disputes through peaceful negotiations and praised the efforts of the Contadora and Lima Groups in this respect. The Contadora Group of Venezuela, Panama, Mexico and Colombia and the Lima Group of Argentina, Brazil, Peru and Uruguay have been working on a peace treaty for the region. The Latin American problems should be solved by Latin Americans themselves through peaceful means and without the interference of the United States, he said. Castro admitted that in the past five years, more than 100,000 Cubans have "undergone internationalist missions" abroad, adding that his country will give unlimited support to Nicaragua.

On domestic issues, Castro said that the Cuban economy has grown by 7.3 percent in the past five years. But he said, progress in some areas has been retarded by laziness and other irresponsible conduct.

He said that during the next five years, Cuba will maintain a 5-percent annual economic growth rate and will give special attention to the tourism industry, agriculture and animal husbandry. The country should save and utilize its own resources, reduce imports and increase and diversify exports, he said.

He stressed that the country needs to enhance the efficiency of production and government offices and displace imcompetent officials.

The Cuban party congress, attended by more than 1,700 Cuban and 186 foreign delegates, is scheduled to discuss the revision of the party's Constitution and the economic and social strategy for 1986-1990.

The congress is also expected to adopt two resolutions, one on new economic leadership and systems of economic planning and the other on separating political work from management.

The First and Second CCP Congresses were held in 1975 and 1980 respectively. The third congress was originally scheduled for last December.

LEADERS URGED TO RELY ON MASSES IN WAGE REFORM

HK050821 Beijing GONGREN RIBAO in Chinese 27 Jan 86 p 1

[Commentator's article: "Wage Reform in Enterprises Must Follow the Mass Line"]

[Text] Wage reform in enterprises is a component part of the entire economic structural reform, a matter to which the broad masses of workers and staff have paid attention and for which they have longed. Since this is a matter of primary importance concerning the situation of enterprise reform as a whole, and the direct and vital interests of all workers and staff members, we should conscientiously rely on the masses and fully follow the mass line in this regard. Only thus can we accomplish the task smoothly.

Our party has always maintained that we are at one with the masses and that what we are doing is for the masses. There is nothing we should conceal from the masses; we should fully discuss things with them. In particular, with regard to matters concerning the vital interests of the masses, under the guidance of party policy, we should give them a free hand to discuss these matters. We will derive great benefits in doing so, rather than endangering our work. Leaders of enterprises should uphold this viewpoint: Truly and wholeheartedly trust and rely on the masses. They should not trust themselves alone or make a mystery of wage reform. They should avoid making wage reform a matter involving only a small number of people and excluding participation of the masses. If they do so, they will most probably make a mess of the work.

To follow the mass line, we must give the masses all the facts about the situation and policy and our plan to deal with the situation. This is the so-called experience of "giving three facts," summed up by some enterprises currently experimenting with reform. The main purpose in reforming wages in enterprises is to gradually smooth out wage relations in the enterprises and further pursue the principle of distribution according to work, rather than implementing only a "wage increase" as some people have advocated. We should repeatedly explain this clearly to the masses. Only thus can we clear up certain unclear ideas and unify the thinking of workers and staff members so that wage reform is guided by the correct policy. The wages of workers and staff members can only be gradually increased with the development of our economy. Excessive or drastic demand will never work. Rise in consumption funds and wages of workers should not be higher than increases in national income and labor productivity. We should also explain these policies and principles to the masses so that they may truly understand and master them.

The key to success in wage reform lies in formulating a good plan for reform, according to the requirements of reform and practical conditions of the enterprises, and good for arousing the enthusiasm of the masses. Due to various historical reasons, many problems regarding enterprise wages have carried over from the past. There are many complicated, special conditions and problems difficult to fully predict. Therefore, we should follow the mass line and draw on the wisdom of the masses. Only by leaving their offices, immersing themselves among the masses, conducting careful investigation and study, listening to opinions from the masses in various quarters, and discussing matters repeatedly with them can leading cadres produce a better and more practical plan for reform.

Representative assemblies of workers and staff members are organs for the exercise of the masses' democratic rights. Trade unions represent the interests of the masses and are the working organs of workers and staff members' representative assemblies. To conduct wage reform in enterprises we should rely on representative assemblies of workers, staff members, and trade unions, lending full play to their role. Wage reform plans and policy decisions concerning the enterprises should be discussed conscientiously by representative assemblies. With regard to opinions raised by workers through their representative assemblies and trade unions, leaders of enterprises should address them seriously. Various work concerning wage reform must be placed under the supervision of representative assemblies. If we neglect the roles of representative assemblies and trade unions, it is difficult to claim reliance on the masses. Representative assemblies and trade unions should also recognize their responsibility in wage reform. They should closely cooperate with administrative departments of enterprises to properly integrate their supervisory and supporting roles, correctly representing and guiding the masses and ensuring the success of reform.

SCIENCE, TECHNOLOGY RESEARCH FUNDING VIEWED

OW051145 Beijing XINHUA Domestic Service in Chinese 1152 GMT 4 Feb 86

[XINHUA commentator: "Smashing the Big Rice Pot While Exploiting New Financial Resources"]

[Excerpts] Beijing, 4 Feb (XINHUA) -- The State Council has formally promulgated the "provisional regulations concerning supervision of scientific and technological appropriations." Serving as supplementary decrees for reforms in science and technology these regulations will surely promote the sound development of these reforms.

An important feature of the reforms in science and technology system is the change in the old system of appropriations. In other words, the operating mechanism of science and technology should change. Rather than disregarding the characteristics of scientific and technological activities of different categories and managing science and technology purely by administrative means, we should employ economic means in managing funds for different categories separately. The methods used in scientific research, such as the funding system, "the big rice pot," and the transfer of research achievements without compensation were variously flawed. As a result, scientific research lacked vitality and could not automatically meet the needs of economic construction. To overcome these drawbacks, we must see to it that the management of appropriated funds promotes an intensive development of scientific research, orients science and technology toward economic construction, creates a competitive atmosphere, and establishes an economic responsibility system in science and technology.

However, some comrades still worry that once the appropriation system is changed, the state will reduce appropriations for science and technology, thereby affecting scientific research. This is a misunderstanding. On the whole, funds for scientific research will increase considerably rather than decrease. The provisional regulations have made it clear that during the Seventh 5-Year Plan period, state appropriations for science and technology will increase more quickly than regular financial revenues. Coupled with other financial resources, there will be an overall increase in funds earmarked for scientific research. Only the method of managing the funds will change.

The science and technology front is extensive, consisting of many levels. Conditions are vastly different. In view of this, the provisional regulations have specified detailed arrangements, the general principles of which are conducive to scientific and technological progress and production and are not just a set of simple uniform requirements. In a word, reforms in the appropriations system are designed to smash the big rice pot, make scientific research more dynamic and vigorous, expolit new financial resources, and provide a solid material foundation for scientfic research. It will surely promote the development of scientific research.

CPC SETS RULES FOR ISSUING REPORTERS CREDENTIALS

OW060055 Beijing XINHUA Domestic Service in Chinese 0824 GMT 5 Feb 86

[Text] Beijing, Feb (XINHUA) -- Recently the Propaganda Department of the CPC Central Committee issued a circular setting forth explict rules for issuing reporters cards. The circular requests that all journalistic units conduct an examination of the reporters cards they have issued and straighten out any irregularities. All cards that have been issued but do not conform with the rules should be recalled or voided, and all new cards should be issued in accordance with the rules.

The circular points out: Indiscriminate issuance of reporters cards has become a rather common problem in various localities. Besides journalistic units, some publishing houses, offices of literary and art publications, and even party and government departments have printed and issued reporters cards. Some offices of newspapers and periodicals and some radio and television stations have issued reporters cards to their administrative and logistics personnel and workers. Some newspaper and periodical offices have issued reporters cards to persons belonging to other units as an amicable arrangement in order to establish underhanded relations with them. Some have issued large numbers of special reporters' cards and reporter-trainees cards. More serious is that a few newspapers and periodical offices have sold large numbers of reporters cards for profit. All of this has resulted in extremely grave consequences by damaging the reputation of journalistic units; pressuring the work of railway, civil aviation, and other transportation departments; and provided favorable conditions under which a small number of lawless people engender bluff and deceit.

To correct this problem, ensure reporters due rights and interests, and safeguard their good reputation, the following rules are established:

1. Units issuing reporters cards are limited to press agencies, newspaper offices, radio and television stations, and a few offices of publications on current events and political subjects. Ordinary publications offices, publishing houses, offices of papers and periodicals not distributed openly to society, colleges and schools of journalism (including those teaching through periodicals and correspondence), and journalistic research organizations are not allowed to issue reporters cards or reporter-trainees cards.

2. Journalistic units should issue reporters cards only to those officially employed as professional editors and reporters and to those personnel responsible for organizing information gathering and news writing. Journalistic units not employing professional journalists may issue reporters cards to those personnel actually gathering information and writing news reports. However, administrative and logistics personnel in journalistic units should be given work cards only, and no reporters cards should be issued to them. From now on, when a person no longer gathers information or writes news reports because of transfer to another job or for other reasons, his card should be promptly recalled.

TEXT 3. Out of the needs of work, a journalistic unit may issue a certain number of special reporters cards, but such cards should not exceed 10 percent of the number of its regular reporters. Special reporters should not enjoy the same treatment as regular reporters. No reporters cards should be issued to correspondents.

4. Reporters cards prove the holders identity and profession only. To cover a special event, a reporter should have a letter of introduction from his unit. Because of the urgent need to cover an event, a reporter may have priority over others in buying railway, long-distance bus, ship, or airline tickets by presenting his card according to the pertinent regulations.

The circular urges all journalistic units to conduct an examination of reporters cards they have issued in order to correct any irregularities. Cases of selling reporters cards for profit should be dealt with seriously. After the examination has been conducted and irregularities have been corrected, if any new cases of indiscriminate issuance of reporters cards are discovered, the leaders concerned will be held responsible.

TRAVEL REGULATIONS FOR HONG KONG, MACAO EXPOUNDED

HK030911 Beijing ZHONGGUO XINWEN SHE in Chinese 0256 GMT 31 Jan 86

[Text] Beijing, 31 January (ZHONGGUO XINWEN SHE) -- In Beijing, an official of the Bureau of Exit and Entrance Control under the Ministry of Public Security disclosed that the concerned State Council department is formulating regulations governing citizens traveling between the mainland and Hong Kong and Macao.

In answering a reporter's question on "why control is still very strict on citizens traveling to Hong Kong and Macao on personal business, while it is comparatively relaxed for these going abroad on personal business," the official said: Hong Kong and Macao are special regions. They are small in area but very dense in population. Their capacities are limited. However, the number of citizens in the hinterland wanting to emigrate to Hong Kong and Macao is extremely great. If their requests were all satisfied, the population of Hong Kong and Macao would grow drastically. In order to maintain favorable conditions for the economic prosperity and social stability in Hong Kong and Macao, the State Council has decided to follow a quota when examining and approving applications to settle down in Hong Kong and Macao on a one-way trip. The State Council has also decided that, in principle, the number of people approved will not be increased. Because the number of applicants is great and the quota is limited, the majority will not be approved, not even those who have parents, spouses, or children in Hong Kong and Macao. Only those who are most in need and are most pressed will be given approval.

A reporter asked: Those applying for a round trip on a short-term basis will not increase the populations of Hong Kong and Macao. Shouldn't the policy be relaxed somewhat regarding them?

The official said: Certainly. However, quite a number of people who applied for round trips to Hong Kong and Macao have, in the past, failed to return. Therefore, the method of fixing a quota is also adopted with regard to them. If those who apply for a round trip to Hong Kong and Macao conscientiously return on time, we will gradually increase the quota and relax the control. In fact, the quota for round trip travelers has doubled in recent years, but there are so many applicants, conditions are still rather strained. From now on, we will further relax control and gradually increase the quota.

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JINGJI RIBAO EMPHASIZES STUDY OF MARXIST THEORY

HK031311 Beijing JINGJI RIBAO in Chinese 25 Jan 86 p 1

[Editorial: "Do a Good Job in Studying Marxist Theory Guiding our Party in Building Socialism"]

[Text] In a speech delivered at the National Conference of Party Delegates, Comrade Deng Xiaoping proposed a new requirement -- the study of Marxist theory -- to cadres at all levels throughout the party and leading cadres in particular. While proposing the new requirement, Comrade Deng Xiaoping stressed three points. The first point is that in implementing the four modernizations program, we should adhere to Marxism, which provides a foundation for our party's policies. The second point is that we should integrate theory with practice and use the basic principles and methodology of Marxism to devise solutions to new political, economic, social, and cultural problems. The final point is that through devising solutions to new problems, Marxist theory itself will be further developed. Conducting the study of Marxist theory well in accordance with the requirements and orientation charted by Comrade Deng Xiaoping is of great, far-reaching significance in accelerating the process of our reform and four modernizations program.

Theory stems from practice, is tested by practice, and develops in practice. One hundred and thirty-eight years have passed since the "Communist Manifesto" was published in 1848. During this historical period, the proletariat has constantly won new victories in its liberation cause although the road toward liberation is tortuous. Marxist theory is continuously developed in new practice. New principles and conclusions suited to new historical conditions are ceaselessly replacing some specific theories and conclusions which are no longer applicable.

The universal principles of Marxism are not out of fashion. Today we are still determined to uphold and defend them. We should not waver in this conviction. For example, socialism will inevitably replace capitalism, and socialist society will ultimately enter communist society. This is an inevitable trend of historical development. The universal principles clearly defined by Marx in this regard are universally applicable truths. However, it is impossible for Marx and Engels to have devised detailed solutions to all kinds of specific problems arising in the course of socialist revolution and construction, under prevailing circumstances, to build a modern and strong socialist country with a high level of both material and spiritual civilization. In a large economically backward country like ours, it is one of the most difficult and greatest creative projects ever undertaken in the history not only of the Orient but also of the whole of mankind. Some of the major problems emerging in the course of fulfilling this task are problems which Marx, Engels, Lenin, and Stalin did not encounter and thus never solved. Our ongoing comprehensive economic structural reform and four modernizations program are a new, great practice in the history of socialist revolution and construction. What is the relationship between the reform and the four modernizations program? Why should reform be conducted? What is the orientation and what are the objectives of the reform? How should we correctly view and handle problems arising in the course of the reform? All these questions should be definitely answered and thoroughly explained in theory so as to unify thought and action in the whole party and among people throughout the country, thus pushing reform ahead victoriously. This requires that we integrate the universal principles of Marxism with our country's actual political, economic, scientific, and cultural developments; study new situations; solve new problems; and achieve new experiences.

Since the 3d Plenary Session of the 11th CPC Central Committee succeeded in shifting the work focus of the whole party, our party has brought order out of chaos, reaffirmed the ideological line of seeking truth from facts, adhered to Marxist dialectical materialism and historical materialism, and solved many new problems arising in the course of implementing the four modernizations program by creatively applying universal Marxist principles. We have made achievements in all areas of reform and the four modernizations program. The principles and policies and numerous important documents formulated by our party for the reform and many important articles and speeches by central leading comrades are all products of combining univeral principles of Marxism with reality in China. These important documents are our party's scientific review of the experience in socialist revolution and construction since the founding of the People's Republic and signify the adoption and development of Marxist classical works. They are the Marxist theories guiding in building socialism with Chinese characteristics and providing additional wealth in the treasure-house of Marxist theory.

Therefore, in studying Marxist theory, we should combine the study of classical works with that of our party's present-day documents, particularly the party's important documents and central leading comrades' important articles and speeches since the 3d Plenary Session of the 11th CPC Central Committee and learn the Marxist stand, viewpoint, and method, and the basic knowledge about Marxism, from these works and documents, in an earnest and systematic way. Only in this way: Can we scientifically explain or elucidate the numerous new things and problems emerging in the course of reform and the four modernizations program; can we dialectically ponder the complicated social and economic phenomena, examine the essential aspects of problems with an eye on the course of their development, and avoid making mistakes and becoming rigid; can we remold our subjective world while changing the objective world and make our ways of thinkings, mental outlook, ability to work, and moral level more adaptable to the new situation in the new period; and can we achieve both liveliness and unity in thinking and adhere to both the implementation of the policies of invigorating the economy, opening up to the outside world, and observing socialist orientation.

At present some comrades isolate the practice and theory of building socialism with Chinese characteristics from the historical development of Marxism and thus fail to see that the two derive from the same origin. The manifestations of this practice are that in theoretical study, they confine the study of Marxist theory to reading some classical works and neglect the study of the party's present-day important document, in particular the numerous important documents since the 3d Plenary Session of the 11th CPC Central Committee. More often than not, theoretical study is separated from the realities in reform and the four modernizations program, and people do not know how to apply the theories they have learned, still less how to develop them. They fail to explain practical problems in current political and economic life although they would memorize quite a few phrases and sentences from classical works. On the other hand, on seeing some conclusions in Marxist classical works as being no longer applicable to present actual conditions, some comrades doubted the correctness and guiding role of Marxism, arguing that Marxism was already out of fashion and thus abandoned their study of Marxist classical works. All these show a separation of theory from practice and a lack of thorough understanding of the theory guiding our party in building socialism with Chinese characteristics.

To overcome this trend of separating theory from practice, we must study the history of Marxist development and further understand that the theory guiding our party in building socialism with Chinese characteristics means we have inherited and developed Marxist theory itself. Moreover, we must enhance our willingness to study present-day party documents. In theoretical study, we must uphold the Marxist basic principles and oppose the bourgeois liberalization trend that doubts the applicability of Marxism on the one hand and be bold in breaking through some specific outdated principles or conclusions in Marxist theory and opposing dogmatic deviations on the other.

While carrying out the economic structural reform and the four modernizations program, we must persist in applying the Marxist stand, viewpoint, and method in understanding and solving all practical problems so that we can forge ahead along the correct road with our cause and simultaneously advance Marxist theory. This is the attitude which we should take.

MODERNIZATION PROGRAM FOR RURAL AREAS EXPLAINED

HK050855 Beijing JINGJI RIBAO in Chinese 27 Jan 86 p 1

[Editorial: "An Invigorated Local Economy Dawns -- On the Need for the Entire Society To Be Concerned About Implementation of the 'Spark Program'"]

[Text] The "spark program," introduced by the State Science and Technology Commission and approved by the State Council, is enthusiastically welcomed throughout the country and, in particular, by the country's 800 million peasants. They describe this as "charcoal delivered in the middle of a snowstorm" to the rural areas and towns and township enterprises and as significant progress in the application of science and technology in economic construction. The central leading comrades have also made very favorable remarks on this matter.

In recent years, thanks to rapid rural reforms, our agricultural production has been growing at a high rate. Indeed, one cannot affort to overlook the role of town and township enterprises as a significant force in the national economy. While absorbing much of the surplus labor in rural areas, they are also profoundly restructuring the country's rural economy. Apart from this, town and township enterprises also provide great support to the modernization of rural areas and to the development of scattered tiny market towns.

However, we must be soberly aware that productivity remains low in rural areas and that most town and township enterprises are backward both technologically and in production management. In order to end this backwardness, ensure a steady growth rate for agriculture and healthy development of town and township enterprises, and to end poverty in old liberated areas, newly developed areas, border areas, and poverty-stricken areas, it is necessary to devote further attention to applying science and technology, in addition to further comprehensive implementation of the party's rural policies. Only by relying on science and technology can we help the 800 million peasants, who just have enough to wear and eat, become affluent peasants. Practice has proven that, armed with modern science and technology, the peasants can raise productivity hundreds of times as soon as they abandon the production mode characteristic of a natural economy and switch to the establishment of factories and intensive production. Wherever science, technology, and scientific management are satisfactorily applied, successful production and construction can be expected.

One of the specific objectives of the "spark program" in the Seventh 5-Year Plan period is the training, for town and township enterprises, of 200,000 young intellecturals and grassroots cadres each year, or 1 million young intellectuals and grassroots cadres in 5 years. This will contribute to the organization of a "permanent" scientific and technological force in rural areas and this force, in addition to bringing scientific and technological advances to rural areas, will benefit peasants by leading them in their march toward the modernization of rural areas and the revitalization of the economy. Without adequate scientific and technological personnel, it would be difficult to satisfactorily revitalize the rural areas. Training scientific and technological personnel for rural areas is an important issue. In the future, we will rely mainly on them for the revitalization of the rural areas.

Special schools and institutions of higher learning should perform their own functions satisfactorily. They should offer various training courses, using their long vacations and favorable conditions. Scientific research units should, by combining training with the popularization of scientific and technological achievements, train "midfield players" to transfer scientific and technological achievements to rural areas. Another of these specific objectives is to initiate the mass production of 100 types of facilities and equipment suitable for rural areas. These include complete sets of facilities and equipment for factory-farm animal breeding, for the preservation of fruits and vegetables, for the deep processing of industrial crops, for the production of building materials, and so on. The purpose of all this is to raise productivity and to improve economic results and social benefits. A third objective is to help various localities establish 500 model town and township enterprises, which will play an exemplary role in applying science and technology. These enterprises will be provided with complete sets of scientific and technological facilities and equipment, management norms, product designs, and quality control systems.

The "spark program" requires the extensive application of science and technology. All those workers in the field of science and technology who aspire to contribute to the great cause of revitalizing the local economies now have a golden opportunity to realize their aspirations. At present, there are thousands of scientific and technological forces in China. They have produced many scientific and technological achievements. Given all this and China's quite well-developed industrial system, China is well qualified to help its rural areas develop and produce complete sets of facilities and equipment and establish model enterprises. In the rural areas, workers in the field of science and technology will find that there is ample scope for their abilities. This is made possible by the independence and great flexibility of rural areas and town and township enterprises and by the short cycle in their application of new technology and development of new products. Science and technology commissions, science and technology associations, institutions of higher learning, scientific research units, mines, and industrial enterprises throughout the country and all functional departments concerned should make the best use of favorable conditions and contribute to the implementation of the "spark program," local and rural economies, and improving the nation's scientific and technological knowledge. As long as we are united and bravely march ahead, we certainly will be able to achieve all the objectives of the "spark program!"

DU RUNSHENG BOOK ON RURAL CHANGES REVIEWED

HK270621 Beijing RENMIN RIBAO in Chinese 20 Jan 86 p 5

[Article by Gao Hongfan: "A Theoretical Summation of Profound Rural Changes -- Reading 'China's Rural Economic Reforms'"]

[Text] The book "China's Rural Economic Reforms," by Comrade Du Runsheng, is published by Zhongguo Shehui Kexue [China Social Sciences] Publishing House. The book focuses on the discussion of reform of the economic structure and product mix in rural areas, and technical reform in the rural areas. These are all new issues of the new historical period. Some of the specific, historical, and dialectical analyses of the author on these issues are incisive and thorough.

First, the implementation of contracted responsibility system on a household basis inevitably involves an appraisal of the cooperative movement. Otherwise, it will be impossible to talk about the reform of the old system and the establishment of the new structure. How should the cooperative movement be evaluated?

In the book, the author affirms the necessity of the socialist reform of agriculture, and reviews accomplishments since the cooperative movement: an initial solution to the food problems of one billion people has been provided, the needs of industrial development have been ensured, polarization and the annexation of land has been avoided. These accomplishments have demonstrated that the strategic decision of implementing the cooperative movement was correct.

However, the author points out at the same time that a basic weakness of China's cooperative movement over a long period is the neglect or disregard of the restrictive function of productive forces. "Leftist" tendencies have appeared on several occasions, forcing alteration of production relations, which resulted in sabotaging productive forces. This is precisely a marked expression of that weakness. The author analyzes the social and ideological root causes of this phenomenon, revealing the injury of "leftism," to which it has given expression.

This profound analysis in the book originates from a basic concept of Marxism. In an economically backward country, the change of small private ownership into public ownership, in the final analysis, relies on the formation of new socialized material conditions, and the formation of such conditions involves a considerably long process of development. In relation to this, the cooperative movement should not be perceived as a single change and should be connected by a series of intermediate links in gradual transition. The selection of these intermediate links should be favorable to the development of the original productive forces as well as the creation of new productive forces. This means that the promotion of productive forces should be regarded as a signal on whether the form of the cooperative system has vitality.

The author holds that the key to this point is: If original family economies are merged in an oversimplified way while an overconcentrated labor system and an egalitarian distribution system are implemented, it will be very difficult to maintain intensified cultivation of small-scale peasant economy. A stagnation, or even drop, in productive forces will occur. The shortcoming of cooperative organizations lies precisely here. Therefore, it is imperative to conduct structural reform.

Second, the contracted responsibility system on a household basis adoptes the managerial way on household basis, giving rise to talk about the "individual economic enthusiasm" of the peasants. The peasants' enthusiam for production since land reform has fallen into two categories, the enthusiam for individual economy and the enthusiasm for mutual cooperation, with which we are all familiar. In order to encourage a trend of mutual cooperation, a negative attitude has been adopted toward spontaneous capitalist tendencies of enthusiasm for individual economy, which is understandable. However, whether "enthusiasm for individual economy" is entirely equal to spontaneous capitalist tendencies is a topic requiring in-depth study. The mode of individual labor and the mode of distribution in relation to it were entirely neglected in the past, thus giving rise to frenzied activities without proper long-term plans and "eating from the same big pot."

Two universally acknowledged facts have caught the attention of the author. Family plots were all high-yield plots, and peasants had on several occasions demanded farm output quotas for each household. The author believes that "these two signals gave expression to the nostalgia for management on a household basis of the peasants, which has enlightened us and made us reconsider how use the mode of management on a household basis in the cooperative system."

Here, the author differentiates "individual economy" from "management on a household basis." Individual economy as an economic form is based on small-scale private ownership. Such small-scale peasant economy falls out of place in the trends of agricultural modernization and must undergo socialist transformation.

Management on a household basis is a mode of management. It can include different types of ownership, from the feudal system, to small-scale private ownership, to capitalist ownership. Such differentiation is necessary in our correct use of the form of management on a household basis.

The author points out that, in using such a mode, joint efforts of the family, technical experience accumulated in the hands of the individual, and production means scattered in all households will be brought into full play. Under present conditions, if they are put aside without being used, it will be a waste. Hence, the trend of including management on a household basis in the cooperative economic structure, linking collective management with management on a household basis and forming a double managerial structures system recently has resulted in profound changes in rural areas. Regarding individual economy, this will reform its content of private ownership while using its mode of management. In essence, it affirms once again the peasants' enthusiasm for production of 800 million peasants will be guided on the track of developing the socialist commodity economy in a big way.

The author believes that the new system has "absorbed the advantages of advanced agricultural producers' cooperatives, corrected its shortcomings, and broken through the limitations of the family economy while retaining its merits." It has formed into a developmental phase of agricultural cooperation with Chinese characteristics. Of course, the author does not avoid the fact the management on a household basis has a certain spontaneity and blindness and holds remnants of the peasants' private economy. However, the public ownership of land, the existence of unified management, and the powerful restrictive function of socialist industry, commerce, and banking will make this mode serve the needs of socialist agriculture. He stresses that just because peasants have selected this mode does not mean they are wavering with regard to socialism, but reflects a need for more criticism of shortcomings and errors in our work.

Third, the rural economy should be developed through diversified forms. This is a very important principle which the author has stressed. China's development in economy and culture are extremely imbalanced, and the natural conditions and economic conditions are far from being unified. In developing the rural economy, it is imperative to allow diversified forms under the principle of socialism so that comparison may be made between them, advantages can be retained, shortcomings eliminated, and they can be merged, replaced, and perfected. "Only with diversified forms will it be possible to attain a high level of adaptability."

The concept of diversified forms gives expression to the structure of ownership. Under the prerequisite of persisting in the cooperative movement, diversified economic forms are allowed as a supplement to the socialist economy, in order that the labor force, funds and technology may be diversely organized. Even in the case of operating by employing workers, it is not the same as in the past with capitalism, because some measures of cooperative economy are adopted, and it is controlled by socialism. This means that some low-level forms which are transitional and suitable to the level of the masses, are not to be rejected, even if they are unstable, vague in nature and neither complete nor perfect. Giving expression to the question of ownership, the concept of diversified forms refers to public ownership in the course of the appearance of a series of intermediate links, during which many flexible forms will inevitably appear. For example, the associative coefficient between unification and separation of the contracted responsibility system will be more flexible; the public ownership of production means will have different levels; the issue of whether combination will involve ownership will be allowed greater maneuverability; enterprises with collected funds may implement the principle of mainly distributtion according to work, when bonus distribution is based on each share.

TEXT The author proposes that we should not be afraid of remnants of old social relations remaining in new production relations, when public ownership and the principle of distribution according to work "will take shape in its typical and most perfect form when social production is highly developed."

The concept of diversified forms also gives expression to the variation of the cooperative economic system. In marketing and supplying cooperatives, credit cooperatives, service organs, enterprises in towns and townships, and state farms, all systems may implement varied combinations, and unanimity is not required. In this way, a network of cooperatives of various forms and diversified structures will take shape.

The important significance of the concept of diversified forms lies in the fact that it proposes that our ideas be suited to the extremely complicated structure of the external world, so that the subjective may become one with the objective, and Marxism may be linked closely with the realities of China's rural areas. In short, we must start from practice thoroughly. Since the founding of the People's Republic, one of the greatest malpractices in China's rural areas has been the habit of implementing a single pattern and requiring unanimity in everything. The author's concept of diversified forms is the correct policy for correcting the malpractice of requiring unanimity in everything, and a good measure for rapidly developing the rural economy.

COMMODITY PRICES SOCIETY DISCUSSES PRICE THEORY

HK291009 Beijing JINGJI RIBAO in Chinese 18 Jan 86 p 2

[Report by Shi Xiaokang: "Roundup on Annual Meeting of China's Commodity Prices Society and on the Fourth Meeting To Discuss Price Theories"]

[Text] The annual meeting of the Chinese commodity prices society and its fourth meeting to discuss price theories were held in mid-December 1985 in Guangdong's Zhongshan City. The participants discussed theoretical problems needing immediate solution in price reform.

I. The Targeted Pattern of the Price System

Most comrades held that in the future, China should adopt a price system of a mixed pattern, in which unified state prices, prices floating within a certain range, and negotiated prices coexist. However, there were still some differences on the question of which should be the main element of this system. Many comrades held that the system of prices floating within a certain range should be taken as the main element of the price system, that is, a price control system characterized as "small at both ends and big in the middle." Their reason is that since the central price and the range within which floating prices occur are set by the state, and enterprises can decide on the prices of their products within the range set by the state, both state macromanagement and control of prices and the flexibility of the enterprises in microeconomic control can be ensured.

Some comrades held a different view, maintaining that if the role of the floating price system is overestimated, it can only result in spiraling increases in costs, prices, and money put into circulation. The characteristics of the socialized commodity economy are: the variety of commodities is increasing day by day, labor productivity is changing quickly, the life cycle of products is becoming shorter and shorter, and the socioeconomic situation regarding supply and demand often changes greatly. For many commodity prices, if the float range is narrow, they will become, in reality, fixed prices; if the range is wide, they will actually become free prices.

Along with the enlivening enterprises and opening up to the outside world, phenomena such as bargaining and the deliberate raising and lowering of prices between the enterprises and the departments in charge will become more and more serious. Thus, it is good to take the system of prices floating within a certain range as a transitional form in the reform of the old price system, which is highly centralized. But it is still not appropriate to take it as the main element of China's price system. Some comrades suggested taking the free price system as the main element. The main reasons are: 1) Free prices belong to the category of price control, but since there are fundamental differences between the state's macroeconomic policy and ownership, there are also fundamental differences between socialist free prices and capitalist free prices in both intension and extension and in the roles they play. 2) Free prices are a part, not a whole. They do not exclude the method of state interference in the prices of certain important means of production and subsistence concerning the national economy and the people's livelihood. Under special circumstances, the state can still guide, interfere in, or even freeze the prices of those commodities which have adopted the free price system. 3) With the perfection of China's socialist market system, the strengthening of the state's capability for macroregulation and control, and the standardization of the enterprises, taking the free price system as the main element may not necessarily lead to greater defects and sharp rise and fall of prices. The fundamental reason for sharp rise and fall of prices lies in the imbalance of supply and demand rather than the form of prices. To exercise indirect control over prices mainly means controlling the changes in supply and demand so that prices can be kept stable. For most products, it is still necessary to rely mainly on direct control and to set fixed prices or a range in which prices can float.

II. What Symbolizes a Rational Price System

Many comrades pointed out that it is a pressing task at present to make clear what symbolizes a rational price system. Some comrades held that what basically symbolizes a rational price system is that under normal conditions all departments and trades are able to obtain an equal profit rate. In other words, the prices of various commodities are maintained at the average level of all departments and the level of profits is determined by the average profit rate.

Other comrades held that the basic symbol of a rational price system is that under the condition that general commodity prices are relatively stable, the prices of all kinds of commodities are basically at a level of balanced supply and demand, in other words, at a level at which the commodities can be sold easily and purchasing power can be fully realized. They held that different departments and trades have different abilities to obtain profits. This is an objective condition for the development of the structure of the national economy. The state can exercise control by means of taxation and credit. As far as prices are concerned, it is not necessary to require that profit rates of all departments and trades are generally the same.

III. On Calculation of Theoretical Prices

There were two different views among the participants on the necessity of calculating theoretical prices. The main reasons of those who held it necessary to calculate theoretical prices were: The calculation of theoretical prices can provide a basis for the state in setting and readjusting prices, in setting a central price and the float range for prices, and in levying taxes in a reasonable way. Following are three suggestions on the form of theoretical prices: 1) Calculate theoretical prices according to the average profit rate of funds; 2) calculate them according to the profit rate of funds and the profit rate of wages, or through "double channels"; and 3) calculate them through "three channels," that is, according to the profit rates of funds and wages and other factors, including grade differences and land rent.

The main reasons why those comrades held that the calculation of theoretical prices is not significant are: 1) On the question of what part of production costs should be included in the total cost of the product, there are many difficult technical and theoretical problems to solve, which will naturally lead to inaccuracy in calculating the average profit-earning costs of various departments; 2) it is not a scientific method of calculating theoretical prices, which are of significance in the future, on the basis of past data for calculating profit-earning costs; 3) since the calculation of theoretical prices does not entirely reflect the role played by social supply and demand in the formation of value levels and neglects the real costs of enterprises, what it reflects is not the value mentioned by Marx, which involves the meaning of social reproduction; 4) the state should levy taxes based on the enterprises' actual costs and profits rather than on theoretical prices.

IV. Price Reform During the Seventh 5-Year Plan Period

Some participants held that at present, China's extrabudgetary investment constitutes more than 50 percent of the total investment in social fixed assets, but as a result of the irrational price system, especially the lower prices of energy resources; communications, and raw materials, the industrial and investment structures are also seriously irrational. The shortage of energy resources, communications facilities, and raw materials is obstructing the national economy from high-speed development. When price reform takes big strides, the national economy cannot bear it; but when the reform takes small steps, problems cannot be solved. Therefore, during the period of the Seventh 5-Year Plan, it is necessary to carry out the reform with medium strides, centering on the prices of the means of production, so as to strive for a rational price system, especially a rational price system for the means of production, by the end of the Seventh 5-Year Plan period.

Other participants held that it is right to take the reform of the production prices as the center and to combine readjustment with relaxation in the price reforms, but that this should be supplemented with reform of the prices of agricultural products and main consumer goods. Otherwise the price system as a whole will become even more irrational. In the Seventh 5-Year Plan period, the price reform should be carried out under the condition that general commodity prices are kept basically stable. Put more concretely, this means that the rise in the general price index should not exceed the annual interest rate of fixed deposits. For this reason, the price reform, including the reform of prices of the means of production, should be carried out with small steps rather than medium strides. At the same time, it is also necessary to pay great attention to the synchronous development of the price reform and the reforms in other fields. At present, before the problem of restraining the soft budgets of state enterprises is solved and a relatively perfect and advanced market system is formed, we can only achieve very limited results either in readjusting or relaxing prices. Therefore, in the price reform during the Seventh 5-Year Plan period, emphasis should be laid on improving the external conditions rather than on pricing itself; in other words, on solving the problems concerning restraining the soft budgets of enterprises and perfecting the market system so as to create necessary conditions for effectively readjusting and relaxing prices.

DEVELOPMENT OF CREDIT LEASING SUPPORTED

HK030039 Beijing RENMIN RIBAO in Chinese 24 Jan 86 p 2

[Article by Min Yimin and Wag Yihua: "A Brief Discussion on the Development of China's Credit Leasing Business"]

[Excerpts] The credit leasing business, aimed mainly at utilizing foreign capital and importing advanced technology, has taken shape in our country since the early 1980's.

With the progress of economic structural reform and the four modernizations program, it has achieved noticeable development. Leasing institutions have been established one after another, their market has been rapidly expanded, and their volume of business has doubled and redoubled. However, since many people are still not quite familiar with this business, it is necessary to publicize its role and prospects and adopt forceful measures to promote its further development.

Background and Reasons for the Rise of the Present Credit Leasing Business in Foreign Countries

First, we should point out that the actual significance of the currently expanding credit leasing business is completely different from that of the traditional business of leasing. Credit leasing business mainly refers to the business of providing leased equipment and facilities for enterprises for a considerable period of time. While rendering its service, a leasing company will also supply "materials" rather than providing "funds" alone. This will enable the enterprises concerned to obtain the right to use equipment and facilities, and the funds needed in business. Such a leasing business, which actually covers funds and facilities, is called "credit leasing business." Providing such facilities and funds through leasing is flexible and convenient, and can satisfy various actual demands of enterprises. Since it can provide special credit service beyond the reach of middle-term and long-term loans, in many countries it has become the most rapidly developing credit leasing business. In the meantime, many manufacturers of equipment and facilities have accordingly used credit leasing as an effective means of expanding their market. At present, credit leasing has rapidly developed not only in various countries, but also in the international market. It has been widely used to import foreign capital and technology, and promote investment and exports.

The currently developing credit leasing business results from the fast developing financial business. The rapid progress of science and technology as well as government encouragement and support are a direct motive force for its vigorous development.

Establishment, Development and Prospects of Credit Leasing in China

Credit leasing in our country is a product of "opening up to the outside world and enlivening the domestic economy." The reform of the economic management system has directly promoted its rapid development.

The 3d Plenary Session of the 11th CPC Central Committee abolished the policy of isolation, which had been pursued in China for a long time. To expand international economic cooperation and technical exchanges, in July 1979 our country promulgated the law on joint Chinese-foreign ventures. In October of the same year, the China International Trust and Investment Corporation (hereinafter investment corporation for short), as one of the main windows for foreign capital, was established in Beijing. Not long after that, Rong Yiren, chairman of the board of directors and general manager of the corporation, proposed the idea of carrying out an international credit leasing business in order to open up a new channel for using foreign capital, after concluding his visit to some foreign countries. In early 1980, the investment corporation introduced such business activities. CAAC [Civil Aviation Administration of China] chartered the first plane from the United States. In October 1980, the investment corporation invited a Japanese leasing company and the American Chemical Bank to jointly hold the first seminar on leading.

In June 1980, a preparatory office jointly established by the investment corporation, Japan's (Oriental) Leasing Company and Beijing's Machinery and Electric Equipment Company for China's Dongfang Leasing Company was officially set up in Beijing. In July 1981, the investment corporation and the State Bureau of Materials and Equipment jointly set up China's leasing company.

The establishment of these two leasing companies has marked the rise of the contemporary leasing business in our country. Before this, the leasing business never existed in China as an independent undertaking. Since then, and in 1984 and 1985 in particular, leasing has become increasingly active and has rapidly been popularized throughout the country. To date, there are 25 national and regional companies specifically or concurrently dealing in leasing. A network of leasing business has now been established, and a new leasing market has been developed. The volume of business has rapidly increased. Let us take the leasing department of the Investment Corporation as an example. From 1984 to 1985, its accumulated volume of business reached more than $800 million as a result of importing leased items. The volume of business in 1985 alone was more than $400 million. In the meantime, the scope of business has been increasingly expanded. The items covered by the business include not only various kinds of industrial and agricultural equipment and facilities, means of transport, medical apparatus, and so on, but also intangible assets such as technology and other things. In addition, the forms of leasing are varied, and more flexible methods of payment have been adopted. Apart from the leasing business in general, we are developing systematic leasing linked with compensation trade (cooperating with foreign trade departments to export equipment and facilities for leasing to foreign countries). In the meantime, we are also developing a leasing business aimed at earning foreign exchange for the state.

Credit Leasing Is Bound To Occur and Vigorously Develop in Our Country

Everyone knows that making use of foreign capital through various channels is an important method for speeding socialist economic construction. Since the "leasing of technology," a new item in the business of leasing equipment and facilities can play the dual role of making use of foreign capital and technology and equipment. It will inevitably be regarded as a new method for credit leasing when we have just started to open our economy to the outside world.

To create more wealth with less investment, we should rely on existing enterprises, and speed their technical reform. Due to certain defects in our old economic system, for a long time we neglected the updating of fixed assets. The equipment and facilities of our enterprises are generally obsolete. We are facing a tremendous task for reform, and need large amounts of funds for this, apart from facing various restrictions on loans provided by banks. Therefore, investment based on leasing has wide prospects in China. The reform of our country's economic structural system will forcefully promote the development of the credit leasing business.

We maintain that during the Seventh 5-Year Plan, with the profound development of economic structural reform and the progress of the four modernizations program, credit leasing will be considerably developed in our country. The main reasons are: Credit leasing can be used as an effective means of solving the problem of the lack of funds at home. Promoting credit leasing in cooperation with reform will be beneficial to readjusting the investment pattern (those items covered by credit leasing are included in the state and local plans), promoting technical progress (80 percent of the items covered by credit leasing are technical items), and rationalizing the investment pattern (increasing the percentage of funds for updating and reforming technology in the investment of fixed assets). This will ensure that funds will be truly used to update and reform technical equipment and facilities, rather than being used for other purposes (the credit leasing business is reflected in the business of leasing equipment and facilities). In the meantime, conducting credit leasing will also invigorate our enterprises, improve product quality, enhance the export competitiveness of our product quality, and expedite our work of opening up the international market for our products.

Giving More Support and Strengthening Management of Credit Leasing

To enable credit leasing in our country to serve the four modernizations program more effectively, apart from readjusting it and guiding the proper use of funds thorugh various economic means, the state should improve legislation, establish policy, and provide the necessary support, and strengthen the management of the business. Leasing is a new undertaking. We believe that with the immense progress of the economic structural reform in our country, and the gradual improvement of our country's legal system and various policies, a socialist credit leasing business with Chinese characteristics will further prosper and develop.

STATE COUNCIL ISSUES REGULATIONS ON PLACE NAMES

OW301315 Beijing XINHUA Domestic Service in Chinese 0306 GMT 30 Jan 86

[Text] Beijing, 30 Jan (XINHUA) -- Regulations on Control of Place Names (promulgated by the State Council on 23 January 1986)

Article 1: These regulations are enacted for the purpose of strengthening control over place names to meet the needs of socialist modernization and international contacts.

Article 2: Place names referred to in these regulations include names of geographic elements, administrative divisions, and residential areas as well as names of terraces, stations, ports, and yards of toponymic significance used by departments of various specialized fields.

Article 3: Control of place names shall be exercised on the basis of past and current names of places in our country and in such a way that they are kept relatively stable. If necessary to name or rename a place, the new name shall be reported to the authorities concerned for approval according to the principles and the approving authority stipulated in these regulations. Without such approval, no units or individuals uhall determine the name to be used for a place.

Article 4: The following rules shall be complied with in naming places:

1. Places shall be named in such a way as to be conducive to the unity of the people and to socialist modernization. The wishes of the local masses shall be respected, and agreement must be reached will all parties concerned through consultations.

2. In general, no personal names should be used for place names. Naming a place after a state leader is prohibited.

3. No two or more places at and above the county or city level in the country, no two or more townships or towns within a county or a city, no two or more streets within a city or town, and no two or more villages within a township shall have the same name. Homonymous names shall be avoided in the above cases.

4. In general, the names of terraces, stations, ports, and yards of toponymic significance used by departments of various specialized fields shall conform to the names of their locations.

5. Rare or uncommon characters shall be avoided in naming places.

Article 5: The following rules shall be complied with when renaming places:

1. Place names detrimental to the territorial sovereignty and national dignity of our country, discriminatory against certain nationalities, obstructive to the unity of nationalities, offensive to the laboring people, extremely vulgar, and against our national principles and policies shall be changed.

2. Place names not conforming to Sections 3, 4, or 5 of Article 4 of these regulations shall be changed after concurrence is obtained from the departments concerned and the local masses.

3. Where a place has more than one name or a name can be written in more than one way, a unified name or the unified written character or characters for the name shall be determined.

4. Place names that do not specifically fall in any of the above categories, that need not necessarily be changed, and that the local masses object to having changed shall remain unchanged.

Article 6: The approving authority and procedures for naming and renaming places are as follows:

1. The regulations on management of administrative divisions issued by the State Council shall be followed in naming and renaming administrative divisions.

2. With regard to names of natural geographic elements, including mountain ranges, rivers, and lakes that are famous at home and abroad, and involve two or more provinces (autonomous regions or municipalities), suggestions shall be made by the related provincial, regional, or municipal people's governments and submitted to the State Council for approval.

3. With regard to names of natural geographic elements and residential areas in border regions involving the national boundary line and on seas involving the jurisdictional boundary line of islands, as well as those cited in border treaties and protocols, suggestions shall be made by the related provincial, regional, or municipal people's governments and submitted to the State Council for approval.

4. With regard to names of new geographic elements discovered as a result of scientific survey in internationally owned areas, suggestions shall be made by the competent authorities concerned and submitted to the State Council for approval.

5. Names of terraces, stations, ports, and yards of toponymic significance used by departments of various specialized fields shall be approved by the competent authorities of the respective specialized fields after concurrence in using the names has been obtained from the local people's governments.

6. Names of streets in cities and towns shall be approved by the municipal, city, or county people's governments concerned.

7. Procedures for approving other places names shall be established by the provincial, regional, and municipal people's governments concerned.

8. The work of naming and renaming places may be undertaken by toponymic organizations or units exercising control over place names or other departments. When other departments undertake this work, they shall solicit opinions from toponymic organizations or units exercising control over place names.

Article 7: Translation of place names from ethnic minority languages and of foreign place names into Chinese characters shall be standardized. The rules for translating such names shall be formulated by the National Toponymy Committee.

Article 8: The romanization of Chinese place names shall follow the scheme for the Chinese phonetic alphabet promulgated by the state as the unified standard. Detailed rules in this regard shall be formulated by the National Toponymy Committee.

Article 9: Toponymic organizations shall be responsible for collecting and publishing the place names approved and decided on by the people's governments at various levels. The approved names of administrative divisions may be collected and published in separate pamphlets by civil affairs departments. Publication of books on translated foreign place names shall be approved by the National Toponymy Committee; such books shall be compiled under arrangements of the National Toponymy Committee. All government offices, organizations, PLA units, enterprises, and institutions shall use standard place names in the toponymic books published by toponymic organizations or civil affairs departments.

Article 10: Work on toponymic archives shall be handled in accordance with the related rules of the National Toponymy Committee and the State Bureau of Archives.

Article 11: Local people's governments shall instruct the departments concerned to put up place name signs wherever necessary.

Article 12: Specific questions encountered in the implementation of these regulations shall be studied and answered by the National Toponymy Committee.

Article 13: These regulations shall go into effect on the date of their promulgation.

FIVE INDUSTRIAL PROHIBITIONS TO BE IMPLEMENTED

HK040808 Beijing CHINA DAILY in English 4 Feb 86 p 1

[By staff reporter Zhu Ling]

[Text] A quality control campaign is gaining momentum in China as the nation forges ahead with its plans to stem the slide in quality of its industrial and consumer goods. Starting this year, the State will strictly observe the implementation of "five prohibitions" among all industrial businesses, CHINA DAILY was told yesterday. The prohibitions are:

Any product not up to standard must not leave the factory. Such products cannot be included in total output and production value.

-- Production of any industrial enterprise which has no quality control system or checking instruments is prohibited.

-- Use of substandard raw materials and spare parts is forbidden.

— Production and marketing of any product deemed by the state to be out of date or obsolete is strictly prohibited.

— Any sort of fraud involving the forgery of trade marks and passing off substandard products as quality goods is prohibited.

An official of the State Economic Commission said that any violation would be seriously dealt with. Investigations would be made and any manager responsible will be liable to dismissal from office or punishment through the courts. This determined move comes at a time when the whole country is basing all its economic work on improving quality and reducing costs -- two potentially fatal weak points in the nations's economy according to Premier Zhao Ziyang. The State Economic Commission stressed that all industrial enterprises must be fully responsible for the after sale services. A system must be enforced this year making all industrial enterprises totally responsible for repair, replacement or reimbursement if the products are not up to standard.

In addition to this, the commission is drafting a new set of regulations of quality control to pave the way for the country's first law on quality. The State Economic Commission is calling for a concentrated effort to speed up the state licensing system to help maintain the quality of the country's major industrial and consumer goods.

Zhang Yunxia, an official of the Bureau of State Standards, told CHINA DAILY yesterday that the system is being expanded on a nationwide basis this year after a one-year trial programme. Theemphasis of this year's licensing programme is on daily necessities and those products which are important to the national economy. This year, Zhang said, the bureau aimed to stamp out the practice by some enterprises, especially in rural areas of producing goods without even bothering to apply for licences. Enterprises which already have licences will come under regular examination. Their licences may be revoked if the quality of their products deteriorates. For the purpose of conducting regular spot checks on the country's major products, the state is setting up a national network of up to 140 quality control centers.

Zhang Guihua, a senior official of the China Quality Control Association, yesterday voiced his determination to help smooth the way for the nationwide campaign. He said that the state had chosen 1,000 larger "backbone" industrial enterprises to be first in setting off the overall quality control drive this year. "We have arranged a one-month crash course on quality control for managers of 100 representative larger enterprises in the later half of this year. Experts from the United States will be invited to Wuxi to conduct the course." Zhang revealed.

IMPORT SMOKING HALT BY LEADING COMRADES URGED

HK031408 Beijing GUANGMING RABAO in Chinese 25 Jan 86 p 1

[Article by Zi Chao: "Thoughts Related To Smoking Imported Cigarettes"]

[Excerpts] We have no idea when it suddenly became fashionable to smoke imported cigarettes. It certainly started in the south. In some cities, even taxi drivers all smoke imported cigarettes; and if you happen to present him with a China-made first-grade cigarette, you will often find yourself given the cold shoulder. It is said there that the sales volume of imported cigarettes accounts for half the total volume of the cigarette market.

Cigarettes are certainly different from opium. But is it not the case that in many foreign countries, the campaign against smoking is gaining momentum? In the United States, their law has long stipulated that a health warning, cigarette smoking is hazardous to your health, must be printed on the wrappers before cigarettes are allowed to be sold on the market.

In Singapore, if people smoke in public areas, they will be fined several hundred dollars. Smoking is gradually being regarded as uncivilized behavior. World opinion has strongly condemned some developed countries for dumping cigarettes in Third World countries. It is strange that in China, some people not only regard smoking imported cigarettes as the fashion, but have openly violated the explicit stipulations of the state that advertisements for tobacco and wine are forbidden, publicizing imported cigarettes under various pretexts such as car races. They have gone so far as to promote imported cigarette sales in half a page and even whole pages of the newspaper. How can this meet the requirement of our building socialist spiritual civilization?

Our leadership should take the lead in changing this strange phenomenon. I propose that leading comrades refrain from smoking imported cigarettes, or at least smoke fewer of them. There are three advantages in doing so: First, it would be helpful to the health of leading cadres; second, it would help raise our national dignity; and third, it would help build socialist spiritual civilization. Besides, we will reduce the waste of foreign currency which is very precious to our construction.

LI PENG CALLS FOR ENVIRONMENTAL PROTECTION

OW060008 Beijing XINHUA Domestic Service in Chinese 1300 GMT 5 Feb 86

[By reporter Ke Daxing]

[Text] Beijing, 5 Feb (XINHUA) -- The sixth meeting of the Environmental Protection Committee of the State Council, which opened today, urged all localities and departments to make continued efforts to serve the people by doing concrete environmental protection work. Li Peng, vice premier of the State Council, presided over the meeting.

According to the demands set at the meeting, during the first half of this year, people's governments at all levels should draw up their environmental protection plans for the Seventh 5-Year Plan period and incorporate them into their regional economic and social development programs. All cities, in particular those designated as key cities for environmental protection, should do something to control the discharge of waste gas, liquid, and residue and to control noise. All localities should pay close attention to the experimental work on controlling pollution caused by village and town enterprises and assign environmental protection workers to townships and towns. At the same time, they should designate some places as experimental centers for agricultural ecosystem protection and set up several different types of natural reserve zones. Investigations of industrial pollution sources in various localities should be completed this year, while a system of collecting fees for waste disposal should be put into practice on an extensive scale. In addition, the meeting set specific requirements to be met by the pertinent departments of the State Council with regard to environmental protection.

In summary Li Peng said: The past year witnessed new progress in environmental protection work in our country and completion of some concrete tasks in this regard. We should note, however, that doing good environmental protection work remains a long-term and herculean job. At present our country depends mainly on implementation of its environmental protection policy and on supervision and technology to control environmental pollution. Our country already has a policy and a series of regulations and statutes on environmental protection. We should step up the supervision of their implementation. Also, there are still considerable problems of environmental pollution, the solution to which depends mainly on our efforts to strengthen environmental control.

For this reason in doing environmental protection work now, we must emphasize strengthening environmental control, and must build a still better work force for environmental protection.

Li Peng pointed out: Although China now emphasizes urban areas in controlling environmental pollution, special attention should also be paid to solving the pollution problem caused by the large number of village and town enterprises in order for these enterprises to develop healthily. Li Peng said that the state environmental protection organizations should take the lead to do concrete work and try to achieve tangible results in protecting the environment.

FANG YI, HU QIAOMU, DENG LIQUN AT BEIJING SCHOOLS

OW060555 Beijing XINHUA Domestic Service in Chinese 1245 GMT 5 Feb 86

[By reporter Zou Aiguo]

[Excerpts] Beijing, 5 Feb (XINHUA) -- Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, extended his greetings to Beijing Municipality's middle and primary school teachers today. He said: "All sectors of society must concern themselves with teachers, and make them feel that society, schools, and the party are warm."

Fang Yi, member of the Political Bureau of the CPC Central Committee; Deng Liqun, member of the Secretariat of the CPC Central Committee; and Hu Qiaomu went to the Middle School No 34 in Beijing and the East Primary School No 44 in Dongcheng District of Beijing this morning to extend their Spring Festival greetings to the teachers and staff members in the field of education.

Fang Yi highly praised Middle School No 34 for its efforts to overcome difficulties and create conditions for turning itself into a vocational senior middle school. He said: "In middle school education, vocational senior middle schools must maintain a certain proportion. The vocational senior middle schools have bright prospects. Your experience constitutes a good proof."

Deng Liqun said: "It is our hope that those who work in the field of education will illuminate, at all times, the existing problems in the fields of culture, publication, film, and televison to the central authorities. In dealing with good spirital works, we must also actively conduct criticisms and give them wide publicity. We must unite our efforts, do a still better job in integrating literature and art with education, and further improve ideological and political work in school."

In the conference room of the East Primary School No 44 which was filled with commendations and banners, a responsible person of the school briefed Fang Yi, Hu Qiaomu, Deng Liqun, and other comrades on how this primary school closely followed the party's educational policy and explored means to further improve teaching. Wang Wenhui, a 57-year-old teacher dedicated to education, said to the leading comrades: "The classroom is where I belong. Although I am old, my mind is vigorous and my heart is young. My only wish now is to work hard and strive to join the CPC." Hu Qiaomu said: "We respect comrade Wang Wenhui's lofty qualities. There are many good comrades in the educational field like Wang Wenhui. All the sectors in society must concern themselves over these comrades' well being." Fang Yi said: "Comrade Wang Wenhui's spirit is worthy of our emulation and the respect of parents and society. Students will never forget her."

XI ZHONGXUN, OTHERS VISIT BEIJING SUBURB

OW052325 Beijing XINHUA Domestic Service in Chinese 1306 GMT 5 Feb 86

[By reporter Luo Changhua]

[Excerpts] Beijing, 5 Feb (XINHUA) -- Xi Zhongxun, Qiao Shi, and Wu Xueqian, members of the Political Bureau of the CPC Central Committee, came to Yufushangying Village of Taihu Township in Beijing's Tongxian County this morning to call on and extend regards to the peasants there. Xi Zhongxun praised this village as a small socialist paradise. The secretary of the general party branch of this village, 35-year-old Chen Hongzhi, said that under the guidance of the series of policies formulated by the party Central Committee aimed at making the people affluent, his village's gross industrial and agricultural production plus income from other operations totaled 7.5 million yuan in 1985. The amount of profit, he said, was 1.7 million yuan, and the peasants' average per-capita income reached 1,546 yuan.

Xi Zhongxun was very pleased with this report. He said: Your village should also develop animal husbandry by raising sheep and rabbits. This may be done either individually or collectively. Accompanied by village cadres, Xi Zhongxun and the other comrades visited the village's kindergarten as well as a chicken farm equipment factory and a shop for printing labels and trade marks on packages of commodities.

Xi Zhongxun and the other comrades also called at peasant Li Wenhua's home, a 5-member family with one person in school and four working. The family's annual income is 10,000 yuan or more. Li Wenhua's wife, Shang Wenduo, greeted the guests. Xi Zhongxun and the other comrades extended regards to her as well as to all peasants. Pointing to the characters "home of happiness" written above the door, Xi Zhongxun said to the hostess: Your home is a home of happiness and also a home of warmth. The hostess asked the leading comrades to come back again next year. Accompanying them on the visit was Chen Xitong, mayor of Beijing Municipality.

YAO YILIN, WANG ZHAOGUO VISIT FACTORIES

OW060553 Beijing XINHUA Domestic Service in Chinese 1253 GMT 5 Feb 86

[By reporter Li Shangzhi]

[Excerpts] Beijing, 5 Feb (XINHUA) -- Yao Yilin, member of the Political Bureau of the CPC Central Committee and vice premier, and Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, visited the Beijing motor vehicle plant, the Beijing jeep corporation, and the street-cleaning plant No 4 this morning to extend their greetings to the workers. Yao Yilin and Wang Zhaoguo thanked the workers and staff on the industrial front for working hard for the fulfillment of the Sixth 5-Year Plan and hoped that they would make even greater contributions to the realization of the Seventh 5-Year Plan.

At the street-cleaning plant No 4, Yao Yilin and Wang Zhaoguo went deep into the workshops to hold cordial conversations with the workers and staff. Grasping a 20-year-old worker's hand, Yao Yilin said: "You are workers of the new generation in environmental hygiene. You must carry forward and bring into full play the famous model worker Comrade Shi Chuanxian's lofty spirit and make even greater efforts in cleaning the capital and doing hygiene work." Wang Zhaoguo said: "Whenever I see clean streets in the capital, I think of you and your hard work. The party Central Committee and State Council want to thank you wholeheartedly." Accompanying Yao Yilin and Wang Zhaoguo in visiting the factory workers was Li Ximing, secretary of the Beijing Municipal CPC Committee.

ANHUI URGES MOVES AGAINST CRIMINAL ACTIVITY

OW041037 Hefei Anhui Provincial Service in Mandarin 1100 GMT 3 Feb 86

[Text] The Legal and Political Commission of the provincial party committee convened a telephone conference on 1 February, at which the party committee, government, and judicial and public security departments at all levels were called on to accelerate work in quashing flagrant criminal activities in a strict and practical manner; it also called on them to do a good, practical job to effect various preventive measures involving public order to ensure the masses a pleasant Spring Festival.

Wang Shengjun, Standing Committee member of the provincial party committee and secretary of the Legal and Political Commission of that committee, arranged public order work during the Spring Festival. He said: All localities should actively implement the central authorities' principle of resolutely cracking down on various criminal activities by handling cases promptly, and handing out stiff sentences according to law. All localities should dare to handle tough cases, overcome obstacles and interference, and promptly deal with major and important cases. If a death sentence is called for, it should be resolutely imposed. Never show leniency.

Comrade Wang Shengjun pointed out: To ensure good public order during the Spring Festival, various departments and units should cooperate closely, and strictly implement crime prevention measures. As for legal, political, propaganda, education departments, trade unions, CYL, and the women's federation, they should step up supervision of the cultural market. Materials contaminating social conduct should be strictly banned; such activities as gambling and feudalistic superstition should be strictly banned. Public security bureaus and people's armed police should coordinate with communications departments to ensure the safety of communications lines. Especially, leading organs and vital departments should conduct a major security check; measures should be taken to rectify omissions; a responsibility system should be instituted at every level; every measure should be individually implemented. The parties concerned and the leading persons should be held responsible for major incidents and face criminal prosecution.

HUANG HUANG, WANG YUZHAO AT ANHUI WORK MEETING

OW040221 Hefei Anhui Provincial Service in Mandarin 1100 GMT 2 Feb 86

[Excerpts] The Anhui Provincial CPC Committee called a provincial rural work conference in Hefei from 27 January to 2 February.

Attending the conference were the secretaries of various prefectural, city, and county party committees; comrades in charge of agriculture in prefectural administrative offices and city and county people's governments; and responsible comrades of departments, commissions, offices, and bureaus directly under the provincial authority.

At the conference, Meng Fulin, member of the Standing Committee of the provincial party committee and vice governor of the province, relayed the guidelines laid down by a central conference on rural work.

Wang Yuzhao, deputy secretary of the provincial party committee and governor of the province, made a report entitled: "Carry Out Reforms in Depth and Invigorate the Rural Economy in an All-round Way."

Huang Huang, secretary of the provincial party committee, made a concluding report at the conference.

Comrades at the conference held: The past year was a year during which we continued to carry out reforms, invigorate the economy, and vigorously develop various undertakings in our province's rural areas. Peasants' average per-capita income in the province now is about 356 yuan, thus fulfilling the 350-yuan-per-capita income requirement set in 1982 by Comrade Hu Yaobang for our province's rural areas in 1985.

After reviewing the course of reform in 1985, comrades at the conference held: To effectively carry out reforms in their second stage in the rural areas, it is necessary to do the following things:

1. It is necessary to continuously overcome interference and to persistently carry out reforms.

2. It is necessary to respect the masses' initiative and to take a road according to Anhui's actual conditions.

3. It is necessary to give correct guidance in order to ensure the sound development of reform.

4. It is necessary to give greater decision-making power to county-level organization and to carry out reforms in depth.

The conference pointed out: The general requirements for our province's rural work in 1986 are to implement policies, carry out reforms in depth, improve conditions for agricultural production, effectively do organizational work with the stress on service, and bring about a steady, sustained, and coordinated development of the rural economy.

In addition, the conference also set the following 10 tasks for this year. 1) Continue to readjust the setup of rural production; 2) promote a vigorous development of village and town enterprises; 3) further promote the circulation of commodities; 4) improve the cooperation system with the stress on service; 5) strengthen and improve the contract system; 6) effectively lighten the burden on the peasants; 7) introduce new sciences and technologies into rural areas as soon as possible; 8) quickly improve the conditions for agricultural production; 9) effectively assist poor areas in improving their situation; and 10) continue to carry out the comprehensive reform of the economic structure at the county level.

JIANGSU LEADERS AT SUPPORT ACTIVITIES MEETING

OW041031 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 3 Feb 86

[Text] Leaders of Jiangsu Province, Nanjing Military Region, and Nanjing City happily got together this afternoon to discuss plans for further promoting activities of supporting the government and cherishing the people and of supporting the Army and giving preferential treatment to families of revolutionary marytrs and servicemen in the coming new year. The meeting was held at the auditorium of the reception center on Zhongshan East Road in Nanjing.

Attending the meeting were responsible persons of Jiangsu Province and Nanjing City, including Han Peixin, Shen Daren, Gu Xiulian, Sun Han, Liu lin, Chu Jiang, Cheng Weigao, Jia Shizhen, Xu Zhi, Zhang Yaohua, and Zhang Chenhuan, and of Nanjing Military Region, the Nanjing Military Region Air Force, military academies in Nanjing, and the Jiangsu Provincial Military District, including Xiang Shouzhi, Fu Kuiqing, Wang Chengbin, (Shi Yixiao), (Liu Leitian), (Li Yongbo), (Jiang Yunxian), Zheng Zhubo, (Ma Zhaomin), Li Gai, (He Yikun), Zhen Shen, and Yue Dewang. Wang Chao, responsible comrade of the Jiangsu Provincial Armed Police Corps, also attended the meeting.

During the roundtable discussion, the party, government, and Army leaders drank tea and freely aired their views on unity between armymen and civilians. Han Peixin, secretary of the provincial party committee, presided over the meeting. Governor Gu Xiulian was the first to speak. She said: During the past year Jiangsu has achieved remarkable progress in the work in all fields. This is inseparable from the vigorous support and close cooperation given by the PLA units stationed in Jiangsu. Carrying on the Army's fine tradition, PLA units stationed in Jiangsu have actively supported the local people's construction, while striving to carry out the structural reform and reduction-in-strength reorganization and accelerate the regularization and modernization of the Army. They have made remarkable contributions to supporting industrial and agricultural production and capital construction, assisting the local people in dealing with natural disasters and emergencies, preventing and controlling diseases, planting trees, training militiamen, and maintaining public order, and to organizing Army-civilian joint building of spiritual civilization.

Comrade Gu Xiulian said: In the coming new year, we must do a solid job in supporting the Army and giving preferential treatment to families of revolutionary martyrs and armymen, extensively publicize the Army's new achievements in safeguarding the motherland and carrying out the modernization drive, and foster a healthy atmosphere of respecting and cherishing the Army. We must also go all out to support the Army's reform and construction, continue to do a good job in giving preferential treatment to families of revolutionary martyrs and armymen and making proper arrangements for retired Army cadres, cadres transferred to civilian jobs, and demobilized servicemen, render more good services for the Army and beneficiaries of preferential treatment, and consolidate and develop the new relationship between the Army and the government and between armymen and civilians.

In his speech, Fu Kuiqing, political commissar of Nanjing Military Region, said: This year will be a crucial year for the Army's structural reform and reduction-in-strength reorganization. In order to do a good job in supporting the government and cherishing the people in the new situation, the Army should pay close attention to the work in the following three fields: First, it is necessary to step up education among armymen on the nature, goals, tasks, policies, and discipline of the PLA. Second, it is necessary to continue the Army-civilian joint building of socialist spiritual civilization, with the focus on cities. Third, it is necessary to have the Army subordinate itself to the overall situation in national construction by providing manpower, material, and intellectual resources to local construction.

Zhang Yaohua, mayor of Nanjing City, also spoke at the forum. After the meeting, the leading comrades watched performances by the province's literary and art workers.

JIANGSU LEADERS ATTEND RURAL WORK CONFERENCE

OW031001 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 1 Feb 86

[Excerpts] The Jiangsu Provincial CPC Committee and Jiangsu Provincial People's Government recently held a provincial conference to discuss work in the rural areas. The conference studied and made arrangements for this year's rural work in the province. The conference called on the various localities to conscientiously implement the party's policies, deepen reform, improve production conditions, and pay attention to the various services before and after production in order to achieve a bumper harvest in agricultural production this year. The conference called for continuing efforts to promote steady, stable, and coordinated development of the rural economy and to strengthen the foundation for realizing the objectives of reform and development under the Seventh 5-Year Plan.

The conference was held from 25 January to 1 February in Nanjing. At the beginning of the conference, Comrade Sun Han, deputy secretary of the provincial CPC Committee, transmitted the guidelines of the central conference on rural work and, on behalf of the provincial CPC Committee, put forward policies and measures to implement these guidelines.

On the afternoon of 1 February, responsible comrades of the provincial CPC Committee, the provincial people's government, and the provincial Advisory Commission, including Han Peixin, Shen Daren, Gu Xiulian, Sun Han, Zhou Ze, Ling Qihong, and Chen Ketian, attended the last meeting of the conference.

Comrade Han Peixin, secretary of the provincial CPC Committee, delivered an important speech at the meeting. After explaining the general guidelines for economic work in 1986, he emphasized: Economic work in the rural areas has entered a new phase with increased demand and more difficult tasks. The party committees at various levels must cope with the new situation and further strengthen and improve their leadership over economic work in the rural areas. Accordingly, we must strengthen our study, heighten our understanding, pay attention to investigation and study of rural work, strengthen coordination among the various departments, strengthen organizational building, further improve the system of having cities rule over countries, do our best to increase agricultural investments, and strengthen scientific and technological work in the rural areas.

Governor Gu Xiulian also spoke at the meeting. On behalf of the provincial people's government, she expressed her sincere solicitude for and gratitude to the cadres and masses who have made contributions to promoting agricultural production. She said: The agricultural work of this province in the Seventh 5-Year Plan period should rise to a new level. The comrades in all trades should firmly establish the thinking of taking agriculture as the foundation and vigorously support the development of the rural economy.

Comrade Shen Daren, deputy secretary of the provincial CPC Committee, called on the various localities to grasp party rectification while doing a good job in promoting rural economic work, and to pay attention to building both spiritual and material civilization.

Before the meeting closed, Comrade Ling Qihong, vice governor of Jiangsu, made a report on the arrangements made for production, services, management, and improvement of supplies of nonstaple foods in urban and rural markets this year. He stressed that at present attention should be paid to strengthening field management for summer-ripening crops and farming preparations for autumn-ripening crops as well as to building water conservan y projects during the winter-spring period in order to reap an all-round bumper harvest this year.

JIANGXI'S WAN SHAOFEN ADDRESSES RURAL CONFERENCE

OW031156 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 1 Feb 86

[Excerpts] Followings are excerpts of a speech by Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee, at the closing session of a provincial conference on rural work, entitled "Rural Reform Can Only Advance Steadily and Cannot Regress."

The speech is divided into three parts: 1) questions that need to be clearly understood or solved in rural reform; 2) further strengthening the basic position of agriculture in the national economy; and 3) improving party style and doing a good job of party rectification in rural areas.

Comrade Wan Shaofen said: In terms of the growth rate of 1985, Jiangxi ranked fourth in industry, fifth in light industry, sixth in agriculture, and seventh in financial revenues among all provinces and municipalities in the country. We have also won the first battle in the second-step rural reform, reaped bumper agricultural harvests, and taken an initial step in the construction of old revolutionary bases.

During the current conference, participants have offered many constructive suggestions, which can be summarized as the following:

First, rural reform can only advance steadily and cannot regress. The initial success achieved in the reform last year have fully proven that the arrangements made by the central authorities for the second-step reform in rural areas are entirely correct.

Second, it is necessary to retain merits and eliminate defects in the course of reform and to carry out both construction and destruction.

Third, it is necessary to coordinate the relationship of interests between various sectors. Unlike the first-step reform, the second-step rural reform -- which is being carried out at the same time as the urban economic reform -- involves more sectors and a greater scope.

Fourth, it is necessary to give priority to enlivening the circulation in carrying out the rural reform because many problems in our economic development are caused by a clogged circulation system.

In the second part of her speech, Wan Shaofen called for further strengthening the basic position of agriculture in the national economy. She said: It is an economic law, as well as a law of nature, to develop the national economy based on agriculture. It is necessary to steadfastly adhere to this law as a long-term strategic policy. Wan Shaofen put forth the following four demands as far as this question is concerned:

First, it is necessary to place agriculture and rural work in an appropriate position in the national economy as a whole. To invigorate Jiangxi's economy, it is necessary to step up the pace of agricultural development.

Second, it is necessary to strengthen the infrastructure of agriculture. We should realize that Jiangxi's material and technological foundations for agriculture are still rather weak. If we fail to pay due attention from now on, we will not be able to reserve strength for agricultural development, and to fulfill the Seventh 5-Year Plan and the goal of quadrupling the country's gross annual industrial and agricultural output value before the end of this century.

Third, all departments must strive to provide services for the peasants, and should ask themselves how many concrete measures they have taken for the grass roots.

Fourth, it is necessary to strengthen the leadership over rural work, first of all, to overcome negligence in thinking and slackening of efforts at the rural work, and, second, to replenish leadership forces over agriculture.

In the third part of the speech, Wan Shaofen touched upon the questions concerning imporvement of party style and party rectification in rural areas. She stressed the following two points:

First, leaders at all levels should take the lead in improving party style.

They should set a good example in using their powers to serve public interests and in opposing the abuse of power for selfish gains. In improving party style, it is also necessary to take into account the overall interests and strengthen the unity. It is hoped that all leading comrades and Communist Party members will play an exemplary role in using their powers to serve public interests, studying and working hard, striving for self-improvement, stressing efficiency, considering the overall situation, and struggling in unity.

Second, it is necessary to persistently conduct positive education to ensure the success of party rectification in rural areas, which will be conducive to consolidating and developing the excellent situation, facilitating deepening of the reform, enlivening the economy, boosting enthusiasm, and stimulating the forces of production.

In conclusion, Wan Shaofen said: It is the hope of the provincial party committee that the large numbers of party members, cadres, and ordinary people throughout the province will conscientiously implement the guidelines of the party Central Committee's No. 1 Document by persistently carrying out and deepening the rural reform and ensuring the success of party rectification in rural areas, and that they will work hard and struggle in unity to promote the commodity economy in rural areas and enable the 28 million peasants to embark on the road of common prosperity as quickly as possible.

JIANGXI LEADERS ATTEND RURAL WORK MEETING

OW030736 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 31 Jan 86

[Text] The Jiangxi provincial rural work conference ended in Nanchang yesterday after a 5-day session.

The meeting conveyed the guidelines set forth by the central rural work conference, studied the new situation and new problems appearing in the course of rural reform and economic development, and drew up this year's rural projects.

The representatives attending the meeting were in high spirits. They were pleased to know that last year Jiangxi's second-stage reform was a success, agricultural production registered a big increase, a good start was made in building the old revolutionary areas, and the province's agriculture growth ranked sixth in the country.

While happily recalling the situation, they also discussed future projects as well as ways to deal with problems that have appeared. The discussion was lively as everybody talked about what was on their minds without any inhibition.

The policies and measures the meeting has set forth for Jiangxi's thorough-going reforms will give an enormous impetus to unifying people's understanding, coordinating their pace, and bringing about a more prosperous commodity economy.

When the meeting was in session, leaders of provincial party and government organizations heard reports about the situation in various prefectures and cities, and joined the participants and leaders of departments concerned in studying ways and means for resolving the problems put forward at the meeting.

Wan Shaofen, secretary of the Jiangxi provincial party committee, and Ni Xiance, deputy secretary of the provincial party committee and governor of Jiangxi, addressed the closing session yesterday afternoon.

Other party and government leaders attending the meeting yesterday afternoon were Liu Fangren, Xu Qin, Pei Dean, Wang Baotian, (Lu Xiaozhen), (Wang Jianhua), Zhao Zengyi, Wang Shixian, Wang Shufeng, Qian Jiaming, (Sun Xiyue) and (Chen Guisun).

SHANDONG ARTICLE ON UNHEALTHY TRENDS AMONG CADRES

SK030556 Jinan DAZHONG RIBAO in Chinese 15 Jan 86 p 1

[Commentator's article: "It Is Necessary To Have a Good Mental Attitude"]

[Excerpts] At the beginning of the new year, the CPC Central Committee paid attention first to the central organs' rectification of party style, explicitly calling on central organs to act as examples. Focusing on improving the way of thinking, the provincial CPC Committee and government proposed launching the activities of creating new attitudes, a new work style, and a new mental outlook among their organs. This important plan, which serves as an effective guarantee for promoting the overall reform and the two civilizations, sets forth a request and a call to all personnel of organs for successfully carrying out all work for the first year of the "Seventh 5-Year" Plan period with a new mental attitude.

We should say that the overwhelming majority of our office cadres are good. They strive to complete their own work conscientiously and diligently, doing a great amount of highly efficient work for the fulfillment of the party's general task for the new period. Among them, many fine party members and cadres who are hardworking and brave in creating the new have been named as model laborers and advanced workers, and praised by the masses. Old cadres have carried forward the party's fine traditions and taken the lead in rectifying party style. New cadres have set strict demands on themselves and vigorously created a new situation in their work. New atmospheres have emerged continuously in organs thanks to the mutual respect, unity, and cooperation between old and new cadres. We should also seriously point out, however, that the mental attitude of some cadres in some departments and units is very bad. The masses have many complaints about various kinds of serious unhealthy trends.

Some cadres drift along aimlessly instead of doing work. They lack dedication, vigor, initiative, and a sense of responsibility; are muddling in their work; and possess lax work styles. What is worse, they criticize reform instead of working out ways of reform, find fault with people instead of trying to improve work, and take issue with the work they refuse to do.

Some cadres are enthusiastic about political liberalism. They neither study the party's principles and policies nor conduct in-depth investigations and research. They have endless complaints and strange comments. They love to hear and pass on hearsay, find fault with everything everywhere, spread the feeling of dissatisfaction, and even fabricate vicious slander.

Some cadres are obsessed by a lust for money, and seek fame, profits, and position endlessly, vying for higher pay and posts, and for housing. They do not think of doing more work but only think of getting more money, and even abuse their authority to attend parties, accept gifts, and go sightseeing, and engage in business in violation of regulations.

Some cadres are lax in abiding by discipline; practice favoritism in disregard of principles; assume the mediocre person's philosophy that "it is better to make friends than to make enemies, and it pays to do others a favor"; pay no attention to bad persons and deeds; and let unhealthy trends to unchecked. They form small coteries and factions, impairing the unity of the cadre contingents.

In addition, there are a few cadres who indulge in embezzlement, bribery, blackmail, speculation, smuggling, and sales of smuggled goods, taking the road of crime. Of course, this is a problem of another nature.

Although these problems concerning the cadre contingents of organs are directly related to the unhealthy trends in society, they can cause greater harm and more serious consequences because they exist in leading organs. In fact, the unhealthy trends in the cadre contingents of organs not only damage the image of the party and the government, and adversely influence the flesh-and-blood relations between the party and the people, but also greatly impair the performance of organs' functions, and give some bad persons opportunities for taking advantage. To rectify party style and social conduct, leading organs and their cadres should take the lead, carry forward the good styles of thinking and working, and adopt a good mental attitude.

In order for the cadre contingents to adopt a good mental attitude, a fundamental measure is to strengthen the party's ideological and political work and intensify the education on party spirit, party style, and party discipline so that the masses of party members and cadres will raise their awareness in upholding the four basic principles and implementing the party's line, principles, and policies, and will take the overall situation into account, stress unity and actual results, and vie for more contributions at any time and at every place. Taking the overall situation into account means that we should gear our words and deeds to the long-term interests of the country and the nation, and do everything for the prosperity of the country and the people and for the sustained development of the socialist cause. Stressing unity means we should understand the importance and the significance of unity; pay attention to maintaining unity among cadres, between people in and outside the party, and between higher and lower levels; and do our work successfully with concerted efforts. Stressing actual results means we should do everything in a down-to-earth manner, seek actual results instead of undeserved reputation and flourishes, and make our work serve the grass-roots units and the people. Vying for more contributions means we should not compare our seniority, living conditions, and wages with those of others, but should understand that the value of life lies in our contributions to society and the people, not in demands from them. The more we vie for comforts, the more angry we will be, but the more we vie for contributions, the more vigorous we will be. We should firmly believe that as long as the country and the socialist cause have a bright future, our lives will become better quickly.

We are fully confident that party and government organs will take the lead in rectifying party style. The CPC Central Committee and the provincial CPC Committee have a firm determination, and have set forth correct principles and corresponding arrangements for rectifying party style. As long as we follow the requirements of the CPC Central Committee and the provincial CPC Committee in a down-to-earth manner, we will certainly build our leading organs into command and advisory departments with strict discipline and high efficiency, and into organs that are politically firm and organizationally compact and can lead the masses in achieving greater victories in reform and the four modernizations with the spirit of the foolish old man.

SHANGHAI LEADERS ADDRESS RURAL WORK MEETING

OW311113 Shanghai JIEFANG RIBAO in Chinese 26 Jan 86 p 1

[Excerpts] The Shanghai municipal meeting on rural work ended victoriously yesterday in Songjiang. Comrades attending the meeting unanimously pointed out: "We now have a clear-cut guiding ideology on doing work in suburban areas, principles and policies as well as decision-making powers. We have enhanced our vitality in developing a commodity economy in urban and rural areas."

The basic task laid down at the Shanghai municipal meeting on rural work is to tackle the issue of awareness and at the same time solve some practical problems.

During the meeting, comrades who came from suburban areas earnestly studied the guidelines laid down at the national conference on rural work and listened to reports delivered by Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, and Jiang Zemin and Ye Gongqi, mayor and vice mayor of Shanghai. They also heard speeches delivered by 10 units and warmly discussed developing the economy in close connection with the actual situation in suburban areas.

In the course of discussions, comrades of the municipality's rural party committees, the municipal agricultural commission, and various counties also pointed out: In order to implement the guidelines laid down at this municipal meeting on rural work, cadres at all levels should make less empty talk, perform more actual deeds, conduct investigation and study in a down-to-earth manner, proceed from reality, and adopt measures to fulfill tasks one after another. In doing work regarding state farms and the cities and towns in suburban Shanghai, a subject not discussed in detail at this meeting, we must conduct investigation and study even more carefully and work out measures to carry out reforms and solve problems.

ZHEJIANG CIRCULAR ON CHECKUPS ON MISUSED LAND

OW040129 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 1 Feb 86

[Text] In a recent circular, the provincial government asks all localities in the province to conduct a full-scale investigation of the problem of indiscriminate use of land for urban and rural construction. Emphasis will be put on investigating and dealing with the land used for various urban and rural construction projects since 1 January 1984, including the land used for state and collective construction projects and for private housing construction in rural areas.

The circular says that the following cases of misuse and waste of land should be investigated and dealt with: Illegal use of land, use of land without obtaining approval as required by the law, use of more land than approved, going beyond the designated authority to examine and approve applications for use of land, use of land based on the city or town construction plans instead of having obtained the required approval from the authorities concerned, cadres' misuse of power to use land for building private houses, illegal buying and selling of land, illegal leasing of land, blind occupation of land without using it for construction, occupation of more land than required for construction, misuse of large tracts of grain fields and vegetable-producing land for construction projects while nonarable land is available, misuse of high-yield grain fields and vegetable-producing land for building brick and tile kilns, and failure to use the urban land after it has been requisitioned. The circular stipulates that the investigative work be completed prior to the end of March this year.

The circular requests that while investigating and dealing with the various problems of misuse of land, all localities conduct education in the national policy of treasuring the value of land and protecting the crop fields as well as propaganda and education aimed at popularizing the knowledge of laws and regulations about land.

HENAN TAKES MEASURES TO IMPROVE PARTY CONDUCT

PK301220 Zhengzhou HENAN RIBAO in Chinese 16 Jan 86 p 1

[Report by Zhao Derun: "Henan Provincial CPC Committee Starts With Its Standing Committee in Straightening Out Party Style"]

[Text] For the past 2 days, Yang Xizong, secretary of the Henan Provincial CPC Committee, has presided over the meeting of the Standing Committee to conscientiously study the speeches made by Hu Yaobang and other central leading comrades at the cadre meeting of the departments directly under the CPC Central Committee in line with actual conditions in the province. The meeting decided that the Standing Committee members should take the lead in measuring themselves by the guideline of these speeches and improving party conduct by proceeding from actual conditions so that the departments directly under the provincial CPC Committee would play an exemplary role in improving party conduct in the province.

Comrade Yang Xizong said: With the advent of the new year, the party Central Committee has made sincere efforts to improve party conduct by starting with the departments directly under its leadership. This is an important policy decision enjoying the popular support of the party, the Army, and the people. Making the most of the favorable situation, Henan Province should make great efforts to check unsound practices in leading organs and among leading cadres, while consolidating the achievements made in party rectification and reviewing party rectification in the departments directly under the province. One of our major tasks for 1986 is to bring about a basic improvement in party conduct and general social conduct and to improve the reform of the economic structure in the urban and rural areas.

Since the 3d Plenary Session of the 11th CPC Central Committee, Henan has achieved great successes in various fields of work after correcting past errors. In addition to this, organs at or above the county level have achieved good results in their party rectification. At present, the political and economic situation in the province is good, but party conduct has not yet fundamentally improved. The provincial CPC Committee is of the opinion that all the unhealthy tendencies specified by the central leading comrades can be found in Henan to a certain degree, and in particular political liberalism and individualism are quite popular among a certain number of party member cadres. Some are keen on spreading "hearsay" and making mischief through gossip, some seek personal gains by taking advantage of their power and position and openly ask for greater power and better treatment from party organizations, and others even violate discipline and law and are involved in some major criminal cases.

Members of the provincial CPC Committee Standing Committee hold that, in provincial terms, the key to improving party conduct lies in the organs directly under the province and in leading cadres as well. For this reason, in improving party conduct, we should on no account adopt the method of "leading cadres are taken ill but cadres at the basic level take medicine." To this end, members of the provincial CPC Committee Standing Committee and leading cadres at or above the departmental level in the organs directly under the province should take the initiative.

The provincial CPC Committee Standing Committee has decided to set up a leadership group for improving party conduct in the organs directly under the province. It has also taken the following concrete measures:

1. To conscientiously study speeches by the central leading comrades. Leading cadres at various levels of all departments and units of the organs directly under the province should conscientiously study speeches by Comrade Hu Yaobang and other central leading comrades according to the actual conditions in the province and their units and in line with what they think.

They should also thoroughly understand the necessity, significance, and importance of taking the lead in improving party conduct by leading organs and cadres.

2. To strictly measure oneself. The provincial CPC Committee Standing Committee as well as the party committees and groups of all the departments and units directly under the province should maintain the normal practice of democracy and strictly measure themselves according to the guideline of speeches by the central leading comrades, and solve their own problems. While reviewing the problems identified in the course of party rectification, they should examine whether unhealthy tendencies are checked according to the requirements set by the party Central Committee and of peoples' expectations.

3. All the departments and units of the organs directly under the province should work out plans and measures for improving party conduct. They should also establish the responsibility system and accept supervision by the masses. If party conduct does not improve for a long time in some units, their principal leaders should be held responsible for it.

4. Major and important criminal cases should be investigated and dealt with without delay. Criminal cases involving responsible cadres, especially cadres at or above the departmental level should be thoroughly investigated and dealt with according to party discipline and state laws; no lenient treatment should be accorded to any criminals, even high-ranking officials. In investigating major and important criminal cases, any cadre who retaliates against those who expose crimes, or openly shields other's mistakes should be dealt with under party discipline and state laws.

HUBEI PEOPLE'S CONGRESS APPOINTS ACTING GOVERNOR

HK311031 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 30 Jan 86

[Text] The 19th meeting of the 6th provincial People's Congress Standing Committee concluded in Wuchang today. During this meeting, committee members examined and discussed the requests to resign their positions of governor and vice governor which had been submitted respectively by Huang Zhizhen and Tian Ying, and the suggestions on the appointments and removal of individual leading members of the provincial government which had been proposed by the Hubei Provincial CPC Committee. They unanimously expressed agreement.

Today, the meeting adopted the decision on the appointment of Guo Zhenqian as acting governor, the decision on the appointment of Duan Yongkang and Xu Penghang as vice governors, and the decision on the discharge of Tian Ying from the post of vice governor; elected, through a by-election, Guo Zhenqian as a deputy to the Sixth NPC; and adopted other appointments and removals.

Chairman Han Ningfu presided over today's full meeting and spoke at the conclusion of the meeting. He said: At this meeting, the appointments and removals of leading members of the provincial government are important matters which have a bearing on invigorating Hubei's economy and which enable our province to stand in the van of the four modernizations. In the course of examination and discussion, the committee members placed some hopes and set some demands on the several comrades who have been newly appointed. This shows that the committee members, particularly comrades of the older generation, cherish and place hopes on new cadres.

Han Ningfu also put forward views on arrangements for the provincial People's Congress Standing Committee to study and implement the speeches of leading comrades of the central authorities at the rally of intermediate organ cadres. He stressed: The central authorities are now vehemently grasping party style.

The provincial People's Congress Standing Committee must regard supervisory work, particularly legal supervisory work, as an important task and guarantee and push forward the smooth progress of reform of the economic structure and of all reforms. Vice chairmen of the provincial People's Congress Standing Committee, including Li Fuquan, Zhang Xiulong, Tao Shuzeng, Jiao Dexiu, Zhang Jinxian, Shi Chuan, Lin Musen, Chu Chuanyu, and Lin Shaonan, attended the meeting. Vice Governor Liang Shufen, provincial Higher People's Court President Ma Liang, provincial People's Procuratorate Chief Procurator Zhong Shuqin, and responsible persons of departments concerned of the provincial people's government and of all city and autonomous prefectural People's Congress standing committees attended the meeting as nonvoting delegates.

The following is the namelist of appointments and removals which was adopted by the 19th meeting of the 6th provincial People's Congress Standing Committee today: (Luo Derun) is appointed chairman of the Hubei Provincial Economic Committee; Guo Zhenqian is discharged from the post of the chairman of the Hubei Provincial Economic Committee which he concurrently held; (Cui Jianrui) is appointed as the chairman of the Hubei Provincial Science and Technology Committee; (Liang Jiahui) is discharged from the post of the chairman of the Hubei Provincial Science and Technology Committee; (Zhang Zhisheng) is appointed as the director of the National Defense Science, Technology, Industry Office of the Hubei Provincial People's Government; (Zhang Lulin) is discharged from the post of the director of the National Defense Science, Technology, and Industry Office of the Hubei Provincial People's Government; Tian Qiyu is apponted as the director of the Hubei Provincial Public Security Department; Zhang Siqing is discharged from the post of the Director of the Hubei Provincial Public Security Department; Tian Ying is discharged from the post of the chairman of the Hubei Provincial Education Committee which he concurrently held.

The following are biographical notes on Comrades Duan Yongkang and Xu Penghang, the newly appointed vice governors:

Comrade Duan Yongkang, aged 53, is a native of Yiyang County, Hunan Province, with the cultural standard of a university. He took part in work in 1950 and joined the party in 1953. He was appointed as a worker of a county civil affairs division, a deputy director of a county tax bureau, a division head of the tax bureau of the Jingzhou Commissioner's Office, and a deputy director and the director of the prefectural finance bureau. In 1983, he was appointed a deputy secretary of the Jingzhou Prefectural CPC Committee and the commissioner of the commissioner's office.

Xu Penghang, male, aged 45, is a native of Huangmei, Hubei, with the cultural level of an institution of higher education. He participated in work in 1964 and joined the party in 1971. He served as a deputy director of the Daye County Iron and Steel Plant, the secretary of the party general branch, a deputy director of the Daye County Industry and Communications Office, a deputy head of Daye County, a member of the county CPC Committee Standing Committee, and a member of the Huangshi City CPC Committee. In 1983, he was appointed a deputy secretary of the Huangshi City CPC Committee and mayor.

GUIYANG HOLDS RALLY, SENTENCES ECONOMIC CRIMINALS

HK030904 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 27 Jan 86

[Text] On 27 January, Guiyang held a rally on seriously hitting at economic crimes. It sentences 13 economic criminals including (Zhang Yong) in a public trial it was attended by more than 2,800 workers of provincial and city organs.

At the rally, Ding Tingmo, deputy secretary of the provincial CPC Committee, delivered a speech. He said: At present, the mainstream of the province's economic and political situation is very good. It is one of the best periods since the founding of the state. Judging from the experience gained over recent years, we think the most important point is that we have upheld, from start to finish, the principle of simultaneously grasping two areas, which was proposed by the 12th CPC Congress. On the one hand, we upheld the policy of opening up to the outside and invigorating the domestic economy; and on the other, we resolutely hit at serious crimes in both the economic and political and cultural circles which pose a threat to socialism.

Over the years, some economic criminals flaunted the banner of reforms and invigorating the economy while committing crimes. This reflects an important feature of the current economic crimes. Not only do various kinds of outrages committed by these criminals share no common ground with reforms and opening up, but they have also seriously undermined the policy of the reforms and opening up.

Comrade Ding Tingmo said: Party and government leaders at various levels, as well as responsible comrades of all departments, must, on the basis of heightening their understanding, really include in their daily agenda the struggle of hitting at serious economic crimes. The principal responsible comrades must personally handle the work. Nobody is allowed to ignore it. In the course of struggle, departments such as the discipline inspection, political, and legal departments, and industrial and commercial departments and auditing departments must coordinate closely with each other. They must be bold in tackling tough issues, overcome the influence of relationships, have a clear idea about the focal points, and handle major cases well. They must master the policy, strictly enforce the state's laws and regulations, strictly distinguish and correctly handle the contradiction between the two different kinds of matters. They should educate the masses by citing typical examples, and seriously do well in the work in an all-round way.

At the rally, the provincial people's higher court, the Yupyan District and Nanming District People's Courts of Guiyang City sentenced 13 people including (Zhang Yong) in a public trial.

Criminal (Zhang Yong) embezzled a huge amount of money and committed grave crimes. Therefore, his case is most serious. He was sentenced to death and deprived of political rights for life. Other criminals were also sentenced to fixed-term imprisonment.

HU JINTAO AT GUIZHOU RETIRED CADRES' TEA PARTY

HK010938 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 28 Jan 86

[Excerpts] On the morning of 28 January, the provincial CPC Committee, provincial Advisory Commission, provincial People's Congress, and provincial government jointly held a 1986 Spring Festival tea party for the retired cadres of the organs at the provincial level. Attending the tea party were some 400 representatives of the Red Army veterans and veteran cadres who took part in the revolutionary work in the period of the great revolution, in the war of resistance against Japan, and in the war of liberation.

(Long Zhiyi), provincial CPC Committee Standing Committee member and the provincial CPC Committee's Organization Department director, presided over the tea party. Hu Jintao, secretary of the provincial CPC Committee, and Deputy Secretary Ding Tingmo attended the tea party and spoke. On behalf of the provincial CPC Committee, provincial Advisory Commission, provincial People's Congress, and provincial government, Comrade Ding Tingmo extended seasonal greetings and cordial regards to the Red Army veterans and veteran cadres attending the tea party. In his speech, Comrade Hu Jintao thanked the veteran comrades for their concern and support for the work of the provincial CPC Committee. (Qin Shang), chairman of the provincial Advisory Commission, spoke at the party.

GUIZHOU STUDIES CENTRAL LEADERS' SPEECHES

HK031415 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 30 Jan 86

[Excerpts] On 29 January, the provincial CPC Committee held a conference of responsible people from the provincial CPC Committee bureau and committees, as well as organs and party organizations directly under the provincial authorities. The conference reported the situation in studying the important speeches of central leaders, and the situation in correct party work style.

The conference was presided over by Ding Tingmo, deputy secretary of the provincial CPC Committee. Hu Jintao, secretary of the provincial CPC Committee, said in a speech that organs directly under the provincial authorities must set examples for the province in the area of correcting party work style.

Comrade Hu Jintao said: Organs directly under the provincial authorities must treat as important the task of building the organs to campaign in taking the lead in correcting organ and party work style and in setting examples for the province. In other words, this is first proposed after considering the state and roles of the organs in the province. Second, this is proposed after taking into consideration the present situation of party work style among the organs.

Generally speaking, party work style of organs directly under the provincial authorities has developed in the right direction over the years. Most party members and cadres are good or relatively good people. But we must also realize that some units and departments engage, to varying degrees, in the unhealthy tendencies of bureaucratic work style; liberalism in the political circle; individualism in thinking, departmental selfishness in work; the practice of focusing on relationships rather than party spirit when selecting people and are lax in discipline. These tendencies were pointed out by the central leaders. In addition, some of them are very serious and some have even reached the stage of committing serious crimes.

If we do not correct party work style, it will be difficult to shoulder our glorious historical responsibilities. It will also hinder the progress of the four modernizations. No matter what kind of viewpoint they may take, they must set examples for the province in the areas of improving organ work style and correcting party style.

On the specific requirements of correcting unhealthy tendencies and party work style among the organs, Comrade Hu Jintao said: Organs directly under the provincial authorities must pay attention to the following points:

First, they must really grasp the work firmly. Party organization and discipline inspection committees, and particularly the principal leading comrades, of various units must place the task of correcting unhealthy tendencies in an important position.

Second, they must work hard and carry out the work in a down-to-earth manner. Starting from specific problems and cases, they must solve them one by one. They must not hide the facts or not solve the cases after investigation. In addition, they are not allowed to commit new mistakes in the course of investigation.

Third, they must grasp and handle the major cases. They must act unswervingly and in a bold manner.

Fourth, the leadership must take the lead in the work. When correcting party work style, they must start with the leading cadres, and encourage them to set examples for the others.

Fifth, they must resolutely grasp two areas at the same time. That is to grasp both the building of socialist material civilization and the building of socialist spiritual civilization. In other words, they must uphold the principles of reform and opening up, and implement the tasks of promoting a fundamental turn for the better in party work style and the general mood of society. Under no circumstances must they allow their will to waver.

In his conclusion, Comrade Hu Jintao pointed out: In the course of studying and examination, as well as the process of simultaneous rectification and correction of defects, we must mobilize the masses without making a terrific din. We must perfect the party's system of democratic activities and carry out criticism and self-criticism without allowing everyone to pass the examination or lauching any movements. The CPC Central Committee is very determined in terms of correcting party work style. It has also formulated the correct principles and plans. So long as we act in accordance with the CPC Central Committee and in a down-to-earth manner, we must achieve successes. Organs will certainly set examples for the province in the course of correcting party work style.

GUIZHOU'S HU JINTAO ATTENDS ARMED FORCES MEETING

HK010337 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Excerpts] The People's Armed Forces Commission of the Guizhou Provincial CPC Committee held its ninth meeting on 31 January. The meeting stressed stepping up militia and reserve service work while building the two civilizations, and organizing and launching the militia to make greater contributions to building up Guizhou and enriching the people.

The meeting held: Last year the province's militia and reserve service work were stepped up in the course of reforms. The militia played a backbone role in building the two civilizations. The number of militia specialized households and economic combines has grown to 245,000. There are 12,953 civilized units which the militia have played a major role in building.

In upholding public order, 2,800 full-time Armed Forces cadres and over 50,000 militiamen have cooperated with the public security departments in capturing a number of criminals and unearthing some hidden loot. Over 100,000 militia have helped in fighting natural disasters, thus making a contribution to invigorating Guizhou.

The conference held: To organize and launch the militia to take part in building the two civilizations, focused on economic construction, and to do a good job in militia and reserve service work during the building of the two civilizations is an important guiding idea on militia and reserve service work in the new period. We must properly shift the focus of militia work to be subordinate to and serve the state's economic construction.

Hu Jintao, secretary of the provincial CPC Committee and chairman of the provincial People's Armed Forces Commission, spoke at the meeting. He said: In the present circumstances, when the state is concentrating forces for economic construction and the PLA units are being greatly reduced and streamlined, we must do a thoroughly sound job in firming up militia and reserve service work, and set strict demands on training.

YANG RUDAI AT SICHUAN PARTY BUILDING CONFERENCE

HK030959 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 29 Jan 86

[Excerpt] The conference of organization department directors of the city, prefectural, and autonomous prefectural CPC committees which was convened by the provincial CPC Committee's Organization Department and lasted 5 days concluded in Chengdu yesterday afternoon [29 January]. The conference discussed the problems of how to further strengthen the building of rural grass-roots party organizations in the new situation of reform so that rural grass-roots party organizations and party members can give better play to the role of a fighting force and to the vanguard and exemplary role. It also put forward the general requirements for correctly estimating the situation of grass-roots organizations; correctly handling relations among the grass-roots organizations; doing all aspects of grass-roots work well; raising grass-roots party organizations' combat effectiveness; and promoting reform of the rural economy. Comrades Yang Rudai and Nie Ronggui spoke at the conference. (Li Hongren), deputy director of the provincial CPC Committee's Organization Department, conveyed the spirit of the national forum on the building of rural grass-roots party organizations. La Jinxiu, Organization Department director, delivered a speech entitled: "Strengthen the Building of Rural Grass-roots Party Organizations and Promote Reform and Economic Development in Rural Areas."

At present, two main problems exist in building rural grass-roots party organizations and in party members in our province: 1) The new situation in rural reform is not suited; 2) the concept of the party is weak and a small number of party members and cadres lack the lofty communist ideals and sense of responsibility for building socialism. There are many reasons for the existence of these problems. One of the important reasons is that after the focal point of the party's work was shifted, some of our comrades lacked understanding of the importance of putting rural grass-roots party organizations on a sound basis and failed to grasp it firmly. They have insufficiently studied the new situation and the new problems which they have encountered in the course of advance. They have not solved them vigorously enough.

The conference put forward the main tasks of stengthening our province's rural grass-roots party organizations in the new situation:

1. It is necessary to further readjust and reinforce village leadership groups and to seriously readjust rural grass-roots party leadership groups this year and next year in accordance with the principle of four transformations of cadres.

2. It is essential to really strengthen training district and township cadres.

3. It is imperative to vigorously grasp the development of rural party members.

4. It is necessary to seriously and correctly handle relations between township and town organizations, to establish the basic work system, and to put it on a sound basis.

The conference demanded that CPC committees at all levels must strengthen leadership over the work of rural grass-roots party organizations.

Only by doing well in grasping the building of grass-roots party organizations can we really strengthen party leadership over rural work.

PU CHAOZHU ATTENDS YUNNAN RURAL WORK CONFERENCE

HK010147 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Excerpts] The provincial rural work conference convened by the Yunnan Provincial CPC Committee held a full session on 31 January, at which provincial CPC Committee Secretary Pu Chaozhu made an important speech. He dealt with the following issues:

1. On the question of how to view the rural situation, he said: The situation in Yunnan, as in the whole country, is very good. There is a diversity of views within this fine situation, and these need specific analysis. These views have emerged mainly around the readjustment of the rural production structure, reform of the circulation step up, comprehensive reform in the counties, and institution of financial responsibility systems. We should therefore unify the ideological understanding of the whole party, affirm its resolve and confidence for reform, have a clear idea of the orientation of reform, consolidate the fruits of reform, and digest, firm up, and perfect the various reform policies and measures. Problems that occur in the course of reform can only be solved by perfecting the reforms; we cannot go back to the old road.

2. On the question of perfecting the grain purchase contract system Pu Chaozhu said: The base figure for grain procurement in Yunnan has been readjusted many times, and the contract responsibility base figure stipulated to be kept unchanged for 10 years has now been included in the land contracts of the peasant households. The peasants have been glad to accept this. As a result of test by practice, everyone has publicly acknowledged that this is the most reasonable figure. Hence, in perfecting the grain contract purchase system, it is necessary to base the work on this reasonable grain requirement, and refrain from throwing it out. Grain contract purchase is an economic contract that needs gradual perfection, and is also a state task whose fulfillment must be assured.

3. On the question of increasing investment in agriculture Comrade Pu Chaozhu said: On this issue, we must first stress increasing investment in popularizing and applying science and technology. First, we must step up investment in science and technology for agriculture, animal husbandry, and forestry. This is an investment item that the majority of counties are currently able to shoulder. Second, we must increase investment in water conservancy construction and in improving the basic conditions for agriculture. The focus in short-term water conservancy construction investment is on repairing facilities destroyed by the floods last year, so as to guarantee this year's production.

4. On the question of relying on science and technology to invigorate the rural economy Comrade Pu Chaozhu said: There are in fact two steps in developing the rural economy. After the 3d Plenary Session of the 11th CPC Central Committee, we relied on policies to reform the people's commune management system. To switch the rural areas to commodity production and modernization, the production level has to advance a new step. Only by relying on science and technology to improve yields and improve agricultural productivity can we achieve this switch.

5. On the question of actively supporting and developing the township enterprises Comrade Pu Chaozhu said: The township enterprises in Yunnen got off to a late start, and their base figure is low.

The problem of excessive development does not exist in this province. We must continue to adopt the guideline of actively supporting and vigorously supporting these enterprises.

6. On helping poor areas transform their appearance Pu Chaozhu said: Yunnan has about 4 million people living in particularly poor areas. We must assign responsibility to different levels, concentrate the forces of all sectors, seek truth from facts, act in light of local conditions, take advantage of local strong points and avoid weak ones, and properly solve the food and clothing problems there as soon as possible. We should gradually create the necessary basic conditions for them to develop commodity production.

7. On the question of strengthening leadership and improving work style Comrade Pu Chaozhu said: Leadership means service. The leaders at all levels must go down to the grass-roots to investigate and study, draw nourishment from the masses' practice, and do a thoroughly sound job in working to invigorate the rural economy.

Conference Concludes

HK020149 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 1 Feb 86

[Excerpts] The Yunnan Provincial CPC Committee's 9-day rural work conference concluded in Kunming on 1 February. Provincial CPC Committee Deputy Secretary Liu Shusheng presided. Secretary Pu Chaozhu was present. Deputy Secretary and Governor He Zhiqiang delivered a summation entitled: "Do a Good Job of Providing Services, Do More Practical Deeds, and Make New Contributions To Developing the Rural Economy."

He Zhiqiang said: That all sectors and trades should serve agriculture is determined by the status and role of agriculture. This has been our consistent principle. All sectors and trades must promote service work, centering on developing rural commodity economy and stimulating the advance of agricultural modernization. The leaders at all levels, all departments, and all sectors and trades must further deepen their understanding of the importance of rural work, firmly embrace the idea of serving agriculture, and persevere in promoting service for agriculture.

Comrade He Zhiqiang said: To serve the development of rural economy, it is necessary to coordinate the efforts of various sectors and get a good grasp of the following task: 1) Put the agricultural education system on a sound basis and train talented people urgently needed in the rural areas. 2) Mobilize the forces of the whole of society to vigorously popularize the fruits of agricultural science and technology. 3) Actively promote the spark plan and vigorously support the development of township enterprises. 4) Help poor areas to identify key projects for getting rich and transforming their poverty as soon as possible.

In conclusion, Comrade He Zhiqiang gave his views on implementing the spirit of this conference. He demanded that all localities organize forces to publicize the spirit of the central and provincial rural work conferences and implement the relevant policies and regulations down to the grass-roots as soon as possible. Efforts should be made to achieve still greater success in the province's rural reforms and economic development.

TIANJIN ISSUES CIRCULAR ON IMPROVING WORK STYLES

SK020344 Tianjin TIANJIN RIBAO in Chinese 13 Jan 86 p 1

[Text] The municipal CPC Committee and government recently issued a circular on further improving the work styles of organs, and worked out 10 regulations.

1. Purchasing and exchanging imported cars in violation of regulations is not permitted. Party and government organs and leading cadres at all levels should allocate and use cars in line with the relevant regulations of the CPC Central Committee, the State Council, and the municipal CPC Committee and government. Cars not covered by the quotas or used in violation of regulations should be recalled without exception. From now on, all organs and people's organizations, except for those with special approval, will be prohibited from importing cars. Purchase and replacement of cars should be carried out only when the cars are covered by the quotas. When purchasing various types of cars, the funds should come from proper sources, and indiscriminately transfering funds from enterprises or establishments, or buying imported cars in a disguised manner in the name of enterprises or establishments, is not permitted. Cars purchased or replaced in violation of regulations should be registered and reported to higher levels, and be purchased with the unified prices fixed by supply departments.

2. Arbitrarily sending personnel abroad is not permitted. Authoritative departments should examine and give approval strictly, select and send personnel in line with actual needs, and conduct conscientious checkups on those to be sent abroad. No organs are permitted to arbitrarily increase the number of the personnel to be sent abroad. Leading cadres at and above the bureau level should obtain the approval from city mayors or competent vice mayors before they go abroad. No organ should place two or more leading cadres in one visiting group or team. Procedures for submitting reports on and giving approval for the purpose of the visits and the personnel to be sent abroad should be abided by strictly, and no departments or personnel are permitted to bypass the immediate leadership and submit their reports to higher levels.

3. Violating discipline regarding foreign affairs is not permitted. Relevant departments should educate the personnel, and work out discipline for them to abide by strictly before sending them abroad. Once any deeds in violation of the discipline regarding foreign affairs are discovered, relevant departments should deal with them sternly according to their authority for cadre management. If the offenses are serious, they should be investigated and handled by discipline inspection departments and other authoritative departments.

4. Conducting tours with public funds is not permitted. Party and government cadres at all levels are strictly forbidden to visit tourist attractions at public expense, or to do so in a disguised manner on the pretext of attending meetings or learning from the experiences of other units. When visits for the purpose of learning from the experiences of other units are deemed necessary, the purposes of the learning activities, the composition of personnel, the routes of the travel, and the planned expenditures should be strictly examined and approved by higher party and government departments. No authoritative department should give approval to organ cadres, incumbent or retired, who visit tourist attractions with public funds, and financial and accounting departments should not reimburse them for their expenditures.

5. Holding various meetings in tourist cities or scenic sites is not permitted. All units and departments should submit written reports to higher authoritative departments and obtain their approvals before they can hold meetings in other areas.

The number of persons invited to meetings convened by various academic societies, associations, and research societies located in tourist cities and scenic sites should also be strictly controlled. Those who attend without permission should be criticized and educated, and their expenditures should not be reimbursed.

6. Engaging in extravagance and waste on various pretexts is not permitted. The number of receptions, tea parties, consultative conferences, and commemorative meetings should be strictly controlled, and they should be held in a simple fashion. They should not be taken as opportunities for wining and dining and for establishing personal relations. If these meetings or conferences are truly necessary because of the needs of work, they should be examined and approved by authoritative bureaus (or units at the bureau level).

7. Giving parties or gifts with public funds is not permitted. Leading cadres are strictly forbidden to ask for goods from lower levels through various measures or by taking advantage of inspections, visits, and examinations of work, and lower levels are strictly forbidden to give parties or gifts to higher levels. With regard to those who give parties and gifts with public funds and those who attend parties or accept gifts, party and government organs at higher levels should circulate notices of criticism with a certain scope, and should mete out disciplinary punishments if the offenses are serious.

8. Obtaining improper income is not permitted. Except for their wages and the collective benefits given by their organs, party and government cadres at all levels should not ask for or accept gifts, income from concurrent jobs, bribes, and other improper income. Those who violate regulations and obtain improper income should earnestly make an account, and return all the money they obtain within a fixed period of time, in addition to conducting self-criticism to party organizations. With regard to the proper earnings from concurrent teaching jobs, writing of articles, and translations which are done in line with relevant regulations, party and government cadres should pay taxes according to law.

9. Party and government organs, leading cadres, and their children and spouses are not allowed to abuse power and various conveniences provided by their work to do business for porfit in violation of regulations. Industrial and commercial administrative departments should reexamine the enterprises run by party and government organs. Children and spouses of the leading cadres at and above the county or the regimental levels should not engage in business, except for working in state and collective units, China-foreign joint ventures, and the labor service units set up in order to place the children of staff and workers. Children of all cadres, in particular those working in economic departments, are forbidden to avail themselves of the ties and influences of their families and to establish relationships to participate in or be assigned to do illegal purchasing and reselling of goods at huge profits by taking advantage of the difference between list prices and negotiated prices.

10. Taking as an opportunity the new year and Spring Festival to arbitrarily issue bonuses, subsidies, and materials is not permitted. Unwarranted bonuses and subsidies should all be returned, and the various materials purchased with public funds and already issued should be recalled, using the original sum of money as a basis, and should not be registered as a public account.

ZHOU HUI AT NEI MONGGOL SPRING FESTIVAL FORUM

SK030135 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 1 Feb 86

[Excerpts] On 31 January, the Nei Monggol Regional Military District held a forum on the occasion of Spring Festival with the participation of leading comrades from the Army and government organs to speak glowingly of the excellent political and economic situation and to hail the marked achievements scored by the Army and government organs

in fostering unity and jointly building spiritual civilization.

Attending the forum were leading comrades of the regional party and government organs, including Zhou Hui, Bu He, Batubagen, and Tian Congming, as well as leading comrades of the regional military district, including Cai Ying and Liu Yiyuan.

At the forum, Comrade Cai Ying first delivered a speech, in which he stated: Under the correct leadership of the Central Military Commission and Chairman Deng Xiaoping, the regional military district scored marked achievements in building PLA units in 1985. It successfully fulfilled the tasks of conducting party rectification work and simplifying and reorganizing troops, resulting in further enhancement of Army building.

In his speech, Comrade Cai Ying stated: We still have some shortcomings and deficiencies in our work. Therefore, we urge all comrades to offer more suggestions and criticism in order to enable us to become better in the future.

In his speech, Comrade Zhou Hui stated: The Spring Festival will begin in a few days. It is very good for us to hold such a forum on this occasion each year; the contact between the Army and local government organs is very necessary. Following the contact made at the forum, both the Army and government organs can achieve mutual understanding and will do their work more smoothly.

In his speech, Comrade Zhou Hui stressed: The Armed Forces should take the lead in straightening out party style because they have been well organized and conducted education strictly. Therefore, we should learn from the PLA units.

In concluding his speech, Comrade Zhou Hui expressed wishes for a happy Spring Festival to the broad masses of commanders and fighters and the comrades from various leagues and cities.

SUN WEIBEN SPEAKS AT HEILONGJIANG CADRE MEETING

SK311105 Harbin Heilongjiang Provincial Service in Mandarin 1000 30 Jan 86

[Text] On 30 January the Heilongjiang Provincial CPC Committee held a meeting of cadres of the provincial-level organs to mobilize party members and cadres of the provincial-level organs to further study and implement the guidelines of the speeches of the central leading comrades at the meeting of cadres of the central organs, to take vigorous action and serve as examples for the whole province in rectifying party style, and to make new and greater contributions to achieving fundamental improvements in party style and social conduct, thereby deepening the whole economic structure reform focusing on the reform of the urban economy and fulfilling the Seventh 5-Year Plan.

Sun Weiben, secretary of the provincial CPC Committee, presided over and addressed the meeting. Hou Jie, deputy secretary of the provincial CPC Committee, delivered a speech to mobilize and make arrangements for the provincial-level organs to improve party style. Chen Lei, chairman of the provincial Advisory Commission, also gave a speech at the meeting. The title of his speech was: "The Leading Cadres of Provincial-Level Organs Should Serve as Models in Improving Party Style."

Sun Weiben said: [Begin recording] Just now, Comrade Hou Jie made specific plans for improving the party style of the provincial-level organs on behalf of the provincial CPC Committee and government. Comrade Chen Lei has also given very good suggestions. Now, let me repeat the following few issues before ending this meeting. First, we should fully understand the important significance of making the provincial-level organs play an exemplary role in improving party style. Improving the party style is the most prominent issue among the current tasks of running the party strictly and strengthening the building of the party. In the past we often said that improving party style is a major issue affecting the life or death of the party. Judging from the situation of the province, improvements in the party style of the provincial-level organs have a vital bearing on a fundamental turn for the better in the party style of the whole province. In the course of checking malpractices, it will be more convincing and appealing if the provincial-level organs have good party style and if all the key problems have been solved.

There is an old saying that if one does not behave properly, how can he expect others to behave properly? What we expect of the lower-level units and other people must be done by the provincial-level organs and the leaders of the provincial CPC Committee first. And what we do not want the lower-level units and other people to do must also not be done by the provincial CPC Committee leaders and the provincial-level organs. We should follow this rule. Judging from the current situation, our province still has many problems in its party style. Just now, Comrade Hou Jie also cited facts and manifestations in many fields in his speech. These manifestations show that we are still far from meeting the demands of achieving a fundamental turn for the better in party style.

Recently, the central authorities held a meeting of cadres of the central-level organs, calling on these organs to serve as examples for the whole country with their actual deeds. This has created a very good situation for us to strengthen the building of the party and provided very advantageous conditions for us. Such a major policy decision and move is in accord with the desires of the party and the people. It will surely play a great part in promoting a fundamental turn for the better in party style and social conduct and will exert a profound and far-reaching influence on the people. In order to create such a good situation, we should work unswervingly in line with the demands of the central authorities and should strive to achieve a fundamental turn for the better in party style.

All of you should note that this is a very urgent task for party organizations at all levels of the provincial-level organs.

All departments and units of the provincial-level organs and each and every Communist Party member should conscientiously study and understand the guidelines of the speeches of the central leading comrades concerning this work. In the course of checking malpractices, should serve as leadership cores and fighting bastions worthy of the name and should fully display our vanguard and exemplary role.

Second, we should strengthen our confidence in achieving fundamental improvements in party style. In Comrade Hou Jie's specific plans, he also mentioned this: The provincial CPC Committee Standing Committee has discussed and decided that the provincial-level organs should exert 1 year of untiring efforts and take the lead in completing the task of improving party style by the end of this year. At present, some comrades have questioned whether it is possible for them to fundamentally improve party style. In short, they are both happy and anxious. They are happy that the situation is very good and that the central authorities have paid great attention to the work. They also worry that the people will say much but do little, and will intentionally do perfunctory work and fail to really solve the problems.

Such a state of mind is not absolutely groundless. In the speeches the central leading comrades, they also mentioned that we have grasped party style problems in the past few years but the results are not ideal. Some work styles of the party-member cadres and some social habits are really very bad. Some are even very corrupt. In the discussions held at a Standing Committee meeting, the participants finally reached the conclusion that so long as we make up our minds and exert efforts to improve our work style, it is absolutely possible for us to achieve a fundamental turn for the better in party style. We should implement the principle of the central authorities which calls for resolute and persistent efforts in improving party style. Regardless of who is involved, we should not give consideration to personal feelings.

We should grasp the work firmly and through to the end no matter what obstacles and influence we may encounter. If we fail to do this, it will be impossible for us to check all evil trends and malpractices.

Third, the provincial-level organs should serve as examples for the whole province and make due contributions to fundamentally improving the party style. The provincial-level organs throughout the province should take the lead in this regard. The Standing Committee of the provincial CPC Committee should start the work first. The leading bodies of the six provincial-level departments should start the work on their own initiative. In addition to not abusing power to seek personal gain, they must also work selflessly and serve as models in observing laws and discipline. Furthermore, they must also educate their relatives and children not to engage in malpractices. However, if their children have problems, they must allow the relevant departments to handle them in line with party discipline and state laws.

As for unhealthy trends in various fields, the leading comrades should be brave in grasping, checking, and resisting them. The Standing Committee of the provincial CPC Committee should take the lead in doing this. They should serve as examples for others. The top leaders of the provincial-level organs, establishments, and units should also take the lead in this regard. They should let one person's examples stimulate the whole group and the examples of a whole group of persons to stimulate all the people. We should establish the responsibility system in improving party style at all levels. If a unit fails to improve its party style for a long time, then the leaders of this unit should be regarded as derelict in their duty and should be called to account. Therefore, each and every unit should firmly grasp the work and clearly understand the major problems in its unit and should find out the main direction to deal with their problems.

TEXT They should put forward measures and guarantee improvements in its party style.

In order to start the work first in the provincial CPC Committee, the Standing Committee has decided to devote several half-days to hold regular activities of organizations prior to Spring Festival, make comparisons and conduct examinations in line with their actual situations, and conduct criticism and self-criticism.

Five other major provincial-level departments have also decided to do the same. Comrade Hou Jie has made known our stands on behalf of the provincial CPC Committee and government. We welcome all of you to criticize and supervise the leading bodies of the six provincial-level organs in an effort to help us do a good job in conducting rectification and making corrections.

Fourth, the whole party should grasp party style, and should improve party style in all fields. Leaders of the provincial CPC Committee should take the lead in this regard and realistically make all party members manage party affairs. The discipline inspection commissions as well as the CPC committees should grasp party style. The CPC committees should include improving party style on their agenda. All leaders should assume responsibility in the work, follow, trust, and, rely on the masses, and realistically create a political situation in which the whole party has grasped party style. If a Communist Party member fails to pay attention to party style, he cannot be called a qualified Communist Party member. All provincial-level department, after this meeting, should immediately arrange the time, at least two half-days, to study the speeches of the central leading comrades prior to the Spring Festival. They should also study the documents and regulations issued by the central authorities, the plans given by Comrade Hou Jie at this meeting on behalf of the provincial CPC Committee and government, and Comrade Chen Lei's speech.

We should conscientiously study these documents and speeches in line with the situations in our units, and make corrections in the course of study. After study we should work out and implement specific measures for correction. All in all, our provincial-level organs should, on the basis of the existing party rectification achievements, consolidate and develop the party rectification achievements and comprehensively advance the work of fundamentally improving party style. To this end, we should take improving party style as a driving force to stimulate us to fulfill the various tasks put forward by the provincial CPC Committee work conference held last year.

Comrades, as long as we act firmly in accordance with the demands of the CPC Central Committee, display fully the exemplary role of the provincial-level organs, and allow the masses to give criticism and supervision, and make the leading comrades at all levels personally assume leadership over the work and grasp the work bravely, unhealthy trends surely will be checked. The fundamental improvements in the party style of provincial-level organs will surely be achieved within this year and a gratifying situation in the party style and social conduct of the whole province will surely emerge. [end recording]

HEILONGJIANG CONGRESS APPROVES PERSONNEL CHANGES

SK030541 Harbin HEILONGJIANG RIBAO in Chinese 22 Jan 86 p 3

[Text] The following is the namelist of personnel changes approved by the 19th Standing Committee meeting of the 6th Heilongjiang Provincial People's Government, Xu Guangquan [6079 1639 0356] was appointed chairman of the provincial Planning and Economic Commission.

Qiu Zhongli was dismissed from his concurrent post of chairman of the provincial Planning and Economic Commission.

HEILONGJIANG CPC CIRCULAR ON EXPULSION OF CADRES

SK040212 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 2 Feb 86

[Text] The Discipline Inspection Commission of the Heilongjiang Provincial CPC Committee has issued a circular on expelling from the party (Wang Zhengming), former member of the leading party group of the provincial Power Industry Bureau and deputy director of the bureau, and two other bureau-level cadres for extortion and accepting bribes. The circular calls on party organizaitons at all levels throughout the province to thoroughly investigate all law violators, no matter who they are, how high they rank, how long they have been in service, and how able they are. At the same time, those leading cadres who have given unprincipled protection to officials violating the law and discipline, have harbored and connived with evildoers, and have bent the law for the benefit of relatives and friends should be held to account.

At the end of 1984, asked by his relative (Gao Jude), (Wang Zhengming), former member of the leading party group of the provincial Power Industry Bureau and deputy director of the bureau, made a phoe call to the Harbin Power Industrial Equipment Plan subordinate to the provincial Power Industry Bureau. Through the phone call, (Wang Zhengming) forced this plant to sell 50 tons of rolled steel at preferential prices to the Linyi County Fuel Company in Shandong Province. For this deal, (Gao Jude) asked for 25,000 yuan in commissions from the buyer of the rolled steel. After receiving the cash, (Gao Jude) made his wife and son send 10,000 yuan of cash to (Wang Zhengming) on 30 January and 15 February 1985 respectively. In fear of the leakage of this malpractice, on 15 March 1985 (Wang Zhengming) sent (Gao Jude) to Shandong Province's Linyi County to inquire about the situation. Informed of the fact that there was no problem there, he set his mind at rest. On 24 March when the buyer of the steel sent someone to visit (Wang Zhengming) at his house, (Wang Zhengming) did not return the illicit money. Then, along with the further development of party rectification of this bureau and the investigation of the provincial integrated investigation group (Wang Zhengming) had a premonition that this illegal deal would be brought to light. Therefore, he sent the 10,000 yuan of illicit money back to the house of (Gao Jude) and made (Gao Jude) return this money to the Linyi County Fuel Company. In October when the leading party group of the provincial Power Industry Bureau talked with (Wang Zhengming) on whether there was any problem in approving the purchased of this amount of steel, (Wang Zhengming) continued to conceal this malpractice.

(Yang Cheng), former secretary of the leading party group of the Harbin City Industrial and Commercial Administration Bureau and director of the bureau, obtained personal gain on many occasions by using the opportunities of giving business licenses, and extorted and accepted more than 16,000 yuan in bribes. His other links to crimes are under investigation.

(Yi Jingshan), former secretary of the CPC Committee of the Harbin City Real Estate Bureau, shielded and supported criminals to commit crimes during the time when he was responsible for the work of this bureau. In purchasing rolled steel and locks for a subordinate unit alone, he received 20,000 yuan in cash bribes and a color television set worth 1,800 yuan from criminals. His other links to crimes are under investigation.

In its circular, the provincial Discipline Inspection Commission pointed out: As high-ranking cadres of the party, (Wang Zhengming), (Yang Cheng), and (Yi Jingshan) have gone so far as taking advantage of their positions and power to seek personal gains and accept a huge sum in bribes. They have completely forfeited the character of a party member and the qualifications for serving as leading cadres, and embarked on the road of crime.

With the decision of the leading party group of the provincial Power Industry Bureau, the provincial CPC Committee approved the expulsion of (Wang Zhengming) from the party, and suggested his dismissal from all his administrative posts. With the decision of the Harbin City CPC Committee and the people's government, (Yang Cheng) and (Yi Jingshan) were dismissed from the party and all their posts. A few days ago the abovementioned three criminals were arrested by the judicial departments.

The circular states: As bureau-level cadres, failing to withstand the temptation of corrosive bourgeois ideas and money, (Wang Zhengming), (Yang Cheng), and (Yi Jingshan) fell captive to selfish desires and money, forsook the purpose of wholeheartedly serving the people, departed from the correct stand and moral character of communists, and degenerated into borers eating away at the foundations of the socialist construction cause and into criminals against the people.

It is not accidential that these three cadres embarked on the road of crime. (Wang Zhengming) committed serious mistakes early in the Cultural Revolution period. When the evil trend of issuing lavish cash prizes and materials ran rampant in society, he indulged in this trend, and became the person who received more cash prizes and materials than anyone else in the bureau. (Yang Cheng) and (Yi Jingshan) had been warned in the past by organizations against abusing their power to serve their own interests. But they did not heed the warning, and were not worried at all. In the course of party rectification they refused to correct their mistakes, straighten out their ideological style, and draw lessons from their past mistakes. On the contrary, they continued to go single-mindedly after money, and fished for a huge amount of profits. Finally, they have degenerated and embarked on the abyss of crimes.

In the circular, the provincial Discipline Inspection Commission also pointed out: Although the number of persons in the party who accepted a huge sum in bribes, like (Wang Zhengming), (Yang Cheng), and (Yi Jingshan), is not large, this is not an individual case, and the cases of accepting bribes involving 10,000 yuan each have taken place here and there. Party organizations at all levels must pay serious attention to this situation; should seriously and conscientiously investigate and deal with those evil trends and specific law violations which have taken place in their subordinate localities and units; should administer the party severely; and should strictly execute party discipline and the state law. We should investigate and deal not only with law breakers, but also those leading cadres who have given unprincipled protection to law-breaking officials, harbored and connived with evildoers, and bent the law for the benefit of relatives and friends. Such leading cadres should be punished or brought to account as the case may require, and should never be treated softheartedly. Only by so doing can we effect a fundamental turn for the better in party style.

HEILONGJIANG REPORT ON OVERDUE TEACHERS' WAGES

SK020225 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 31 Jan 86

[Text] The general office of the provincial people's government recently relayed to various localities throughout the province the report submitted by the priovincial Educational Commission with regard to the outstanding accounts incurred by some localities with the teachers of the people-run schools and the opinions on dealing with these accounts.

In dealing with the outstanding accounts, the report puts forward the following four measures:

1. The people's governments at all levels and the departments in charge of the work should regard as a major item the wages of teachers of the people-run schools in carrying out the unified financial arrangements at the township level in order to strive to pay the teachers without delay, within the year payment is due, and to refrain from causing new debts.

2. The townships and villages that have had old debts in this regard should repay the debts annually from funds they have raised in line with their actual situation in order to thoroughly deal with the debts within 2 or 3 years.

3. Efforts should be made to conduct reasonable readjustment in the proportion between teachers of the state-run schools and those of the people-run schools in order to lighten the people's burdens.

4. A good job should be done in further carrying out the work-study program among the rural schools in order to increase their incomes and to gradually increase their proportion of funds raised through their own efforts.

'TERM RESPONSIBILITY SYSTEM' SUCCESSFUL IN SHENYANG

HK270325 Beijing CHINA DAILY in English 27 Jan 86 p 4

[By Dong Lisheng]

[Text] The "term responsibility system" for enterprise directors, under experiment for 20 months in Shenyang, Liaoning Province, has been a success. It has helped strengthen economic control, improved results and stabilized enterprises, according to Li Zhonglu vice-mayor of the city.

Under the system the term of office of a factory director is usually four to five years. When taking up a post, a director must submit a paper listing his or her targets. The paper should draw up yearly and long-term plans, and define ways to fulfill them, said Li, who used to be a machine engineer. It should also describe rewards and penalties, according to whether the goals are met or not.

The annual plans should cover quality, output, profit, technological innovation, research of new products, management, workers' training and welfare.

Experimental results in 233 Shenyang enterprises are encouraging, so the city government has decided to introduce the system to all enterprises, the vice-mayor told CHINA DAILY.

A survey of 18 enterprises using the new system shows that compared with the same period of 1984, their output value increased an average 22.8 per cent in the first 11 months of last year. Profits went up 56.6 per cent, and tax and profits turnover to the State, 25.4 per cent.

Under the system, the director and each worker have clearly defined responsibilities. Thus factories are conducted in an orderly fashion.

It helps prevent directors from concentrating mainly on current performance and neglecting the future expansion of the enterprise.

Some directors said that they used to plan production no more than one year in advance because they were eager for instant success and benefits. The new system ensures that enterprises will more wisely balance the relationship between their immediate and long-term interests.

The Shenyang Transformer Plant, for instance, is one of China's main transformer producers. But its equipment and test methods cannot meet current demands to expand production.

After the plant shifted to the new system, it concentrated labour, finances and materials on large-scale technological innovation, even though this means temporarily limiting current output. In this way, it hopes to revise all its products and double its output value in five years.

The new system makes it possible to appraise officials more effectively by using quantitative and qualitative methods.

The system also helps Party committees and workers' unions to set their work targets. For example, the Party Committee of the Shenyang Pneumatic Tools Plant has drawn up 26 goals including the political and ideological training of officials and workers. The workers' union has encouraged its members "to offer ideas to the director." Since last October, the director has received 430 suggestions on improving management and production. Two of them, helped increase profits by 420,000 yuan (about $131,000).

According to the vice-mayor, the introduction of the new system in a factory usually works as follows:

-- Based on the workers' nomination, the higher authorities choose a candidate for the director. Under the director's guidance, a set of targets are proposed by each management department and workshop.

-- The Party committee examines a draft paper of the comprehensive goals. At the same time, the factory management committee, which includes the director, the Party secretary, representatives of the workers' union, the Communist Youth League and workers, also discusses it. Then it must be approved by the workers' congress. After the higher authorities approve the paper, they officially name the director.

-- The director then releases the paper and all factory workers study it. Each management department, workshop and group is asked to plan its workload according to defined goals.

-- The higher authorities appraise the director's performance in light of the comprehensive paper each year and at the end of his or her term. The procedure is recorded and an evaluation is written. After the director reads these documents, they are put into his or her personal file.

-- Based on the director's performance, rewards and penalties are decided accordingly. Rewards include citations and promotions. Penalties include criticism, loss of bonuses, salary reduction and dismissal.

Similarly, the director appraises his or her subordinates and workers.

-- At the end of the director's term , a higher personnel department will arrange an audit. A decent record is imperative for a director seeking another term or promotion. Illegal practices will be dealt with by the law. Disciplinary measures will be meted out for minor errors.

SHAANXI LEADER ON CHECKING UNHEALTHY TENDENCIES

HK311340 Xian SHAANXI RIBAO in Chinese 17 Jan 86 pp 1, 4

[Report: "Bai Jinian Emphasizes Consolidating the Achievements of Party Rectification and Checking Unhealthy Tendencies in Leading Organs"]

[Text] To get a correct understanding of the situation of party rectification, it is necessary to both fully affirm the achivements of party rectification and notice the existing shortcomings and continue to earnestly and solidly grasp well the work of party rectification. Individualism, bureaucracy, liberalism and vestiges of factionalism as well as the phenomena of being extremely irresponsible concerning work, which exist in leading organs at or above country level, should all be conscientiously rectified as grave unhealthy tendencies. These were what Comrade Bai Jinian, the provincial CPC secretary, pointed out at a party rectification work conference of the provincial CPC committee held not long ago.

Comrade Bai Jinian said that our province's first stage of party rectification has been completed and the bulk of the second stage of party rectification will be finished around the Spring Festival. At present, some people are saying that the party rectification has not been very effective. And some even say that "carrying out party rectification and not carrying out party rectification are exactly the same" and that party rectification means "to have conscientiously gone through the formalities. These viewpoints and comments are one-sided and incorrect. Objectively speaking, both the first and second stages of party rectification have scored tremendous achievements. The party rectification has ensured the health development of our province's economic structural reform and work in various fields and the smooth readjustment of leading groups at all levels.

Comrade Bai Jinian gave a brief account of several main works grasped by the provincial CPC committee in 1985:

First, we grasped the work of eliminating "leftism" and breaking with outmoded customs, freeing ourselves from old ideas and perfecting the normal democratic life within the party. By doing so, the "Incantation of the Golden Hoop" [used by the monk in the novel "Pilgrimage to the West" to keep the monkey king under control] which has fettered our minds for so long has begun to be smashed; and we can speak more openly than before and have become invigorated. Second, we grasped reform. In addition to the reform of the cadre system, we emphatically grasped the economic structural reform centering on urban areas, whose focal point is to invigorate enterprises. We can say that the price reform is very successful. As we had adopted a series of measures and made sufficient material preparations, the price readjustment was smoothly carried out. We also enacted some relevant measures to prevent price hikes. In particular, the increase in revenue has ensured the smooth progress of the wage reform and price readjustment. Third, we grasped the work of checking the unhealthy tendencies within the party and scored tremendous achievements. These include the following: 1) We straighten out the guiding ideology for vocational work and made the work of every department obey and serve the general task of the party, and the leaders at all levels work more in line with the CPC Central Committee. 2) We have basically checked the unhealthy tendencies of indiscriminately distributing bonuses and material objects, wildly pushing up commodity prices, and allowing party and government organizations to engage in business. During the party rectification, more than 100 million yuan of illegal capital was discovered throughout the province, a number of serious criminals were punished, and a number of cadres were redeemed. 3) We conducted education to thoroughly negate the "Cultural Revolution."

The unhealthy tendencies and things left by the "Cultural Revolution" which were once reflected in the ideological and work styles in establishing personal relationships everywhere, getting in by the back door, breeding factional strife, and so on, have been corrected. During the party rectification, "the people of three categories" were basically sorted out. 4) As we conducted the education in basic knowledge of the party, the fine traditions of the party have been restored and brought into play in varying degrees, and party members' sense of organization and discipline has been strengthened.

Comrade Bai Jinian said that judging by these achievements, we have accomplished the four tasks of unifying thinking, rectifying work style, strengthening discipline and purifying organization in the party rectification well. Of course, there are still some corrupt phenomena and people in some places. However, speaking in terms of whole party, the healthy forces still enjoy immense superiority within the party and the majority of party members and cadres are good or relatively good.

While commenting on rectifying unhealthy tendencies, Comrade Bai Jinian stressed that leading organs and cadres should fight not only the unhealthy tendencies in connection with reform and the economy but also the various unhealthy tendencies relating to politics, ideology, and work style and attitude. We must not underestimate the harmfulness of these tendencies which are characterized by the following:

First, some people are apathetic, irresponsible, dilatory and seriously bureaucratic in their work and just like to occupy leading positions but not do anything. For example, not long ago when organs at the provincial level were mobilizing their personnel to work in the countryside, most comrades performed very well. However, there were actually a number of cadres who did not perform very well, including some members of the third echelon that we are training. They were so frightened of working in the countryside that they regarded it as a dangerous road to take and found various extraordinary excuses for refusing to go to the countryside. How could this worrying problem crop up? One of the very important causes is that since the "Cultural Revolution," great changes have taken place in the structure of the cadre contingent, in which many cadres are university graduates or were formerly unemployed youth. Many of them do not even know what the countryside is like and lack sympathy for the peasants. As the 800 million peasants account for the bulk of China's population, being ignorant of the countryside means being ignorant of the reality of China, which will certainly result in being divorced from reality; and being ignorant of the peasants means being ignorant of the people in China, which will certainly result in being divorced from the people.

As the fundamental aim of our Communist Party is to serve the majority of the people, if these people do not want to work in the countryside and do not want to serve the vast number of peasants, are they still communists?

Some years ago, some people worked in such a leisurely fashion that they tended "to while away half of their office hours in drinking tea, smoking cigarettes, and reading newspapers." At present, following the same work style, some youths come to work late but leave early and spend much of their time handling personal affairs. There are also some comrades who dream about being officials all day long. Some have even reached the shameless extreme of writing letters to establish personal relationships and brazenly ask for official positions. When some cadres succeed in becoming officials, be it section chief or deputy deparment chief, they put on the airs of overlords and ask their secretaries to do everything for them, even the writing of short notes. Since they just want to be officials, they are satisified to become any kind of "chief." This is utterly vulgar.

Second, acting in a seriously liberalistic fashion, some people tattle and prattle all day long and disseminate rumors. When an individual is promoted, these people go about inquiring who his "backstage boss" is and what kind of relationship they have. They simply view our party organizations, our organizational principles, and our interpersonal relationships from a feudalistic and bourgeois standpoint. How can this be tolerated? Some cadres in charge of very important affairs also make irresponsible comments. There are also cases of lodging false accusations. Some people write totally irresponsible letters to the upper levels, deliberately creating confusion. Therefore, "they spend 4 fen mailing a letter but you have to spend 6 months making investigations." This kind of evil tendency of liberalism should be checked right now.

Third, in handling relationships between individuals and organizations and between one individual and another, some people are still influenced by vestiges of factionalism. In judging people and things as well as right and wrong, some people do not proceed from the party's principles but from personal interests. As long as people are on good terms with them, they can change wrong into right; but if they are not, they can also change right into wrong or even give false testimonies. This kind of abominable behavior of making right into wrong, wrong into right, good into bad and bad into good is deviating from the party spirit and principles and is very harmful to oneself, to comrades, and to the revolutionary case.

Comrade Bai Jinian pointed out that these vestiges of individualism, bureaucracy, liberalism and factionalism as well as the phenomena of being extremely irresponsible concerning work should all be treated as serious unhealthy tendencies. We must not underestimate the harmfulness of these unhealthy tendencies. In some units, the harmfulness of these unhealthy tendencies has even surpassed the harm caused by unhealthy tendencies in the field of economies. Party and government organizations at all levels should attach importance to this problem. Whether it is in the form of making up for the missed lessons in the first stage of party rectification or putting a good end to the party rectification at the prefectural and county levels, the checking of these unhealthy tendencies should be considered an important task. Beginning with leading organs and cadres, party members and cadres should vie with each other in taking a good lead and strive to realize a fundamental improvement in the party's work style and social ethics.

'EXTREMELY SERIOUS' ECONOMIC CRIME IN XINJIANG

HK260341 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 25 Jan 86

[Excerpts] A regional economic procuratorial conference which concluded yesterday proposed that it is essential to seriously sum up experiences and launch in depth the struggle to crack down on serious economic crime, to ensure the smooth progress of reforms and socialist modernization in the region. The meeting pointed out: There is extremely serious economic crime in the region. The number of cases is increasing all the time, and many are major cases. Last year alone, 7.9 million yuan in losses were caused to the state and the collective.

The meeting held: The procuratorial organs are responsible for important tasks in cracking down on economic crime. We must enhance understanding and fully realize the current gravity and harmfulness of economic crime, and the importance of cracking down on serious economic crime. The leaders of the procuratorial organs must personally grasp and handle major and important cases. It is necessary to strengthen investigation, study, and guidance, and promptly get to know the new situation, characteristics, and trends in economic crime.

Ba Dai, member of the regional CPC Committee Standing Commission and secretary of the Political and Legal Commottee, spoke at the meeting.

BEIJING URGES TAIWAN TO END TRAVEL RESTRICTIONS

OW051309 Beijing in Mandarin to Taiwan 1500 GMT 4 Feb 86

[Station commentator's commentary: "It Is Good To Comply With the Will of the People"]

[Text] In handling the relationship between the two sides of the Strait, the Taiwan authorities have recently done a number of things that conform with the trend of the times and the will of the people. They have allowed movie star Yang Huishan and her family to visit Hong Kong to meet with their relatives from the mainland, relaxed the restrictions on off-limit areas for Taiwan seamen hired by foreign companies, and permitted a few organizations to subscribe to newspapers and periodicals published on the mainland. Although these measures by the Taiwan authorities to relax control are rather limited, it should be pointed out that they are conducive to establishing postal, transporation, and trade relations, and shortening the distance between the two sides. Also the measures represent, to a certain extent, progress by the Taiwan authorities.

Regrettably the Taiwan authorities have been unstable, and sometimes capricious, in making such progress. Recently they have issued a so-called order strictly banning visits to the mainland by the people. As is universally known, the two sides of the Strait were originally one country. Every Chinese citizen has the right to travel freely between the two sides. It is deplorable that, due to the abnormal separation caused by the unfortunate past of the nation, the people have not been able to exercise this sacred right for several decades. In order to compensate the people, the two sides should now fully cooperate with each other and make things convenient for the people.

However, the Taiwan authorities have brazenly interfered in the exercise of this right by banning people from visiting the mainland. Their reason is that they are afraid that people may be trapped, as they call it, by the united front. As is known by all, the mainland's united front work is open to everyone. A united front work department is set up within the framework of the people's government. The united front is neither a conspiracy nor a trap. The ultimate goal of united front work is to unite all forces that can be united in working together for the benefit of the country and people. This was so in the past, it is so now, it will continue to be so, and there is nothing whatsoever to be afraid of. A number of personages within the Kuomintang, deeply conscious of the righteousness of the cause, cooperated with the CPC for a long time, and knew united front work very well. Hence, the Taiwan authorities' allegation about being trapped by the united front reveals their fear of people visiting the mainland. What are they afraid of? In the past, people were afraid of the mainland because of the dreadful propaganda treatment of the mainland by Taiwan's mass media. Owing to the opening in various channels abroad over the recent years, people on Taiwan have gradually come to understand the true situation on the mainland, thus dispelling their misunderstanding and apprehension, and exposing the lies of some people. As an old saying goes, it is better to see once than hear a hundred times. With this mentality in mind, many Taiwan compatriots naturally wish to visit and tour the mainland in order to make up their own minds on right and wrong. This is only reasonable. Especially those with relatives and old friends on the mainland try by every means to seek an opportunity to return to the mainland. All of these things reflect human feelings and are beyond reproach.

In view of the situation, the Taiwan authorities should ask themselves: Why do more people want to visit the mainland at a time when the authorities are more vigorously banning visits to the mainland? What does this show? The answer is simple: It is because people have already lost faith in the authorities.

However, not knowing this situation, the authorities punish people who have visited the mainland with the so-called regulations governing exit from and entry into the Taiwan region during the period of the suppression of the rebellion. The consequences of this so-called suppression of the rebellion over the past few decades are well known to all. Today the situation has changed: The civil war has ended, and even the confrontation with artillery is a thing of past. Since January 1979, the people's government on the mainland has proposed peace talks between the Kuomintang and the CPC in order to fulfill jointly the great undertaking of the reunification of the motherland and to end the painful separation. Based on suggestions from various quarters, the mainland has successively made proposals for peaceful reunification of the motherland.

However, the Taiwan authorities have always rejected proposals for important matters concerning the future of the country and people (?in the three areas). Fearful of people's opposition to such a stubborn attitude, the Taiwan authorities have often intimidated people with the notorious banner of the so-called suppression of the rebellion. Didn't the hundreds of millions of compartriots pay a dear price for the so-called suppression of the rebellion in the past? Shouldn't the many human tragedies caused by it be ended as quickly as possible?

The Taiwan authorities so-called regulations governing exit from and entry into the Taiwan region during the period of suppression of the rebellion have long been opposed and spurned by the people on Taiwan. Parliamentarians on Taiwan have repeatedly appealed to the authorities to abolish the regulations. In short, the Taiwan authorities should learn the truth from the experience of the past decades that the will of the people cannot be ignored.

PRESIDENT CHIANG CHING-KUO REAFFIRMS POLICY

OW060139 Taipei Domestic Service in Mandarin 2300 GMT 4 Feb 86

[Text] President Chiang Ching-kuo invited the presidents and vice presidents of the Executive Yuan, the Legislative Yuan, the Judicial Yuan, the Examination Yuan, and the Control Yuan to a tea party yesterday at the Presidential Palace. He praised and encouraged government departments which worked hard to serve the people in the past year. He also exchanged views with the chiefs of the five yuans on the current political situation. After being briefed on the yuans' work, President Chiang pointed out: The five yuans constitute the entire government. They are endowed with the authority to exercise power in the spirit of the Constitution. However, they are complementary to one another in pursuit of the general interests of the nation. He also made several important instructions at the tea party:

The purpose of building national defense is to consolidate the foundation of the country. Over the years substantial progress has been made in building the Army and in war preparedness. Our present task is to put extra efforts into the research and development of national defense science, technology, and national defense industry in order to accelerate modernization of the national Army and to ensure national security.

A solid foundation has been laid in economic development. At this juncture of the transitional period, the whole nation should unite to forge ahead and overcome hurdles in order to enter the ranks of developed countries. Our economy maintained proper growth last year despite the influence of an international recession. We should continue to work hard in preparation for economic recovery.

We should uphold the highest principles of the Constitution and follow the course of democracy and law and order in political and social construction. Gearing to the need of the country, we should follow the best path and act accordingly.

Local elections last year and this showed the prevailing mood of the people: They long for political stability and social peace. Government departments should take chis as a basis in implementing policy.

As for the construction of education and culture, we should aim at developing the intellectual education of our nationals. More attention should be paid to a broad, equal, and balanced development of intellectual education and its results. Today's ever-changing social situation makes it more important to foster independent thought, social ethics, a law-abiding spirit, and discipline in our citizens. We should continuously work toward strengthening that spirit so as to better contribute to the progress of the country.

Summing up the situation of the country last year, President Chiang noted that our country met with many difficulties; there were also many shortcomings in the administration of the government. However, difficulties were overcome one by one, thanks to the cooperation and close unity of the people, but more difficulties and obstacles still lie ahead. However, we should persevere and forge ahead so as to strive for bigger results.

President Chiang also stressed the need to uphold democracy and the Constitution, saying the basic national policy of anticommunism and recovery of the mainland will never be changed. The government should humbly review its policy from time to time. We should constantly seek renovation by following the route of strengthening the foundation of law and magnifying the role of the present system. He hoped that all would display the spirit of sincerity, hard work, and thrift; offer suggestions to raise the nation's standing and people's welfare; and unite as one to advance on the road to success.

CHIANG CHING-KUO URGES DILIGENCE BY KMT MEMBERS

OW060357 Taipei CNA in English 0316 GMT 6 Feb 86

[Text] Taipei, Feb. 5 (CNA) -- President Chiang Ching-kuo, in his capacity as chairman of the ruling political party Kuomintang, Wednesday called on party members to make more friends among the public, be humble and open-minded, in order to close all ranks of the nation to overcome any difficulties in a joint effort to build a new future.

Speaking at the Central Standing Committee meeting, Chiang said the Feb. 1 election at the local level bore great significance. He said he appreciates the general public's support to the ruling party. He also thanked election supervisers for their hard work during the past weeks.

The success of the election demonstrates the government's determination and confidence to fully implement the constitutional democracy in this country, no matter how difficult the situation would be, said the president.

The Kuomintang is a party that belongs to all the people. It is a progressive and open-minded party, he said. The KMT always stands with the republic, and abides by the basic principle of giving first and foremost consideration to serving national interest, he added.

The party should absolutely not be complacent with the success of the election in which the KMT won the majority of the seats, he said. On the contrary, he added: "We should humbly look into areas where improvement can be made, and continue our efforts to struggle further for the nation and the people.

President Chiang called on all KMT party workers to look upon themselves as "public servants," and to be diligent and sincere. Party workers should make more friends among the people and listen to the opinions of the people with an open mind, so as to unite national strength to create a new future for the nation, he urged.

President Chiang made the remarks after hearing reports on the local elections from Sung Shih-hsuan, director of the Department of Organizational Affairs; Kuan Chung, chairman of the KMT Taiwan Provincial Commission; and Chiu Chuang-huan, chairman of the Taiwan Provincial Election Commission.

MINISTRY WARNS TRADERS AGAINST PRC INTRIGUES

OW041001 Taipei International Service in English 0200 GMT 3 Feb 86

[Text] The Ministry of Economic Affairs [MOEA] of the Republic of China warned local businessmen who engage in trade transactions with their counterparts in Hong Kong against possible Chinese Communist political intrigues. The Ministry of Economic Affairs reported the Republic of China's trade with Hong Kong showed drastic ups and downs last year and suggested that local traders be on alert of Peking's united front tactics.

MOEA figures show trade with Hong Kong in the first 4 months last year registered a wide growth, ranging between 46 percent and 54.7 percent. However, Peking narrowed down its imports because of foreign exchange shortage after last May. Consequently, the Republic of China's export growth with Hong Kong dropped to 18.6 percent in May.

ZHU HOUZE ON CASE INVOLVING GENERALS' CHILDREN

HK051538 Hong Kong WEN WEI PO in Chinese 4 Feb 86 p 2

[Report by staff correspondent Cheng Hsiang: "Zhu Houze Confirms That Children of Generals Will Be Put on Trial"]

[Text] Beijing, 3 Feb -- Today Zhu Houze, director of the Propaganda Department of the CPC Central Committee, said: Everyone is equal before the law. This is more true of high-ranking cadres because they are more influential. Zhu Houze made these remarks when he answered questions raised by this reporter at a Spring Festival evening party held by the All-China Journalists Association.

When asked by a foreign reporter if the issue of two children of generals being jailed as reported by this newspaper will be made public, he said: "Our judicial organs are studying and handling the case. You may wait and read our newspapers."

He stressed that the central authorities were firmly determined to curb the unhealthy practices prevailing among high-ranking cadres. He did not rule out the possibility of making the details of related cases public.

FIRMS DENY BLAME FOR RADIOACTIVE CARGO INCIDENT

HK050711 Hong Kong SOUTH CHINA MORNING POST in English 5 Feb 86 p 1

[By Albert Chan]

[Text] The mystery of how an unlabelled cargo of radioactive material came to spend a month on a Hong Kong dock deepened yesterday -- with none of the firms involved ready to shoulder the blame. Indian Rare Earth Co which sold radioactive monazite sand to an American company last year and ended up with the cargo stranded in Hong Kong, said the blame for the whole incident should be put on the American firm.

Derby and Co of London which is a division of Pilipp Brothers, a US firm in New York, bought 500 tons of monazite sand from the Indian comapny last summer and shipped it to Shanghai via Hong Kong. The cargo did not carry a label stating that it was radioactive as required by law and it was refused entry by Shanghai port authorities when the Chinese discovered the cargo was radioactive.

The shipment was sent back to Hong Kong and stayed here for a month while negotiations proceeded with Chinese customs authorities.

A spokesman for the Indian company said from his Bombay office yesterday it was not the responsibility of his company to put labels on the cargo indicating it was radioactive. "We had not been instructed by Derby and Co to do so," he said. In London, Mr D. Hirsch of Derby and Co refused to comment on the case. He said enquiries should be directed to the press officer of the parent company in New York. The press officer was not available for comment yesterday at his New York office.

FBIS DAILY REPORT

China

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UN ENVOY CALLS ISRAELI ACTION 'DESPICABLE'

OW070740 Beijing XINHUA in English 0724 GMT 7 Feb 86

[Text] United Nations, February 6 (XINHUA) -- Chinese permanent representative to the United Nations Li Luye said here today that the nature of the Israeli interception of a Libyan civilian airliner "is indeed despicable." In a speech at the Security Council, Li said, "The interception grossly trampled underfoot the norms of international law and violated the provisions pertaining to international civil aviation, jeopardizing the safety of the life of the innocent people and the freedom and safety of civil aviation, and constitutes a new threat to the peace and security in the Middle East."

Israeli Air Forces Tuesday intercepted a Libyan jet airliner, on which Israel alleged there were "persons suspected of involvement in the preparation of anti-Israeli terrorist attacks." "The incident of February 4 shows that the Israeli authorities are bent on deliberate violations in total disregard of the resolutions and authority of the Security Council, which should never be countenanced," said the Chinese representative. The U.N. Security Council solemnly warned Israel, after the interception of August 10, 1973 over the airspace of Lebanon, to desist from repeating such acts.

Li said: "The Chinese delegation holds that the Israeli authorities' acts of hegemonism conducted under the pretext of retaliation against terrorism must be resolutely stopped and strongly condemned. Otherwise, the sovereignty and security of the Middle East countries will be subjected to a grave threat, and the world shall be deprived of tranquility." He called upon the Security Council to "adopt forceful measures to effectively prevent any recurrence of interception of hijacking of civilian airplanes."

UK DEMONSTRATORS PROTEST AT U.S. MISSILE BASE

OW070908 Beijing XINHUA in English 0639 GMT 7 Feb 86

[Text] London, February 6 (XINHUA) -- About 5,000 anti-nuclear campaigners today blockaded the proposed second U.S. cruise missile base at Molesworth, 95 kilometers northwest of London. The one-day demonstration started early in the morning. People of all ages, men and women, arrived there in shifts from all over the country, braving the unusually heavy snowfall, to obstruct the construction work of the base. Despite the bitter cold and icy weather, they sat in the four-inch (10 cm) deep snow for hours, kept their spirit up by dancing and singing at the four gates of the base and stopped vehicles getting in or out of it.

The Campaign for Nuclear Disarmament (CND), the main peace movement in Britain which organized today's demonstration, criticized the British Government for letting more nuclear missiles be deployed in this country and at the same time they underlined that they were opposed to nuclear arms race by the United States and the Soviet Union. Since the North Atlantic Treaty Organization (NATO) decided in 1979 to deploy U.S. cruise missiles in Europe, opinion polls in Britain have consistently shown that the majority of the public are against the deployment in the country. Of the 160 U.S. cruise missiles to be deployed in Britain, 64 are due to be sited at Molesworth by 1988. Reportedly, 32, or possibly 48, are already deployed at Greenham Common, the first cruise base. On February 6 last year, 1,500 troops and the same number of police, led by the then Defense Secretary Michael Heseltine, moved in Molesworth during the middle of the night to evict forcibly the peace campers and start construction work. At the end of today's non-violent blockade marking the first anniversary of the eviction, five people were arrested by police for allegedly trying to damage the 10-foot high perimeter fence.

JOINT SINO-U.S. WESTERN PACIFIC SURVEY NEARS END

OW061337 Beijing XINHUA in English 1323 GMT 6 Feb 86

[Text] Beijing, February 6 (XINHUA) -- Chinese and U.S. scientists on board Xiangyanghong No. 14, a Chinese research ship, conducting a joint study of air-sea interaction in the Western Pacific, will soon complete their program one week ahead of schedule.

The State Bureau of Oceanography said here today that the scientists had carried out surveys at 150 observation spots recording data on atmospheric physics, aerology and the marine environment. The Chinese research ship left Guangzhou for the Western Pacific December 12 last year. This is one of eight voyages in the four-year Sino-U.S. joint survey of the relationship between the Pacific and the weather.

AMBASSADOR LORD ATTENDS SPRING FESTIVAL RECEPTION

OW060713 Beijing XINHUA in English 1446 GMT 6 Feb 86

[Text] Beijing, February 5 (XINHUA) -- Huang Zhen, president of the newly established China-U.S. People's Friendship Association, gave a Spring Festival reception here this evening. Among the guests were U.S. Ambassador to China Winston Lord, his wife and other U.S. diplomats.

The association was established on January 11. Huang Zhen was chief of China's Liaison Office in the U.S. The vice-presidents of the association are Yan Dongsheng and Liu Gengyin.

GORBACHEV URGES 'PRACTICAL RESULTS' AT SUMMIT

OW070408 Beijing XINHUA in English 0314 GMT 7 Feb 86

[Text] Moscow, February 6 (XINHUA) -- Soviet leader Mikhail Gorbachev said today that the next Soviet-U.S. summit, due later this year but the specific date is yet to be agreed upon, should produce practical results, or it would have no meaning.

Meeting U.S. Senator Edward Kennedy, who arrived here Tuesday for a visit at the invitation of the Soviet parliament, Gorbachev said his Geneva summit last November with U.S. President Ronald Reagan created conditions for rectifying relations between their two countries, the Soviet news agency TASS reported. "But verbal tribute alone to the understanding of the danger of the present-day situation is no longer enough," Gorbachev was quoted as saying. The Soviet leader stressed that the next superpower summit "should yield practical results, produce serious shifts in the directions that are of greatest importance for the cause of peace." Otherwise, he added, such a meeting would be senseless.

Gorbachev said the Soviet Union is doing everything to ensure a fruitful summit. He cited his latest disarmament proposal as a proof for that. The proposal he announced three weeks ago calls for eliminating all nuclear weapons in the world in three stages by the year 2000. The Soviet arms control plan, Gorbachev claimed, offers a "unique chance" to improve radically the Soviet-U.S. relations and "realize the most cherished dream of peoples about durable peace," TASS said. This chance should not be lost, he added.

At today's meeting, TASS said, Gorbachev and Kennedy also discussed the Soviet proposal for eliminating all Soviet and American medium-range missiles in Europe. Like the proposal to halt nuclear tests, Gorbachev said, no strings are attached to this proposal, barring the pledge by Britain and France "not to build up their respective nuclear arms and not to transfer such weapons to other countries," TASS said. At the talks, Kennedy put forward a number of ideas which he said might contribute to arms reductions, TASS said. They also discussed the need for better mutual understanding based on non-interference in each other's internal affairs, the Soviet news agency said.

SOVIET ECONOMIC CRIMINALS RECENTLY EXECUTED

OW061656 Beijing XINHUA in English 1536 GMT 6 Feb 86

[Text] Moscow, February 6 (XINHUA) -- Criminals involved in larceny, bribery and profiteering by trickery were recently executed or sentenced to prison terms ranging from eight to 15 years, the government newspaper IZVESTIYA has reported. The crimes for which they were sentenced took place a year and a half ago in the Rostov region and involved high officials in the Ministry of Commerce.

As many as 76 persons were convicted as a result of investigations into the economic crimes. The criminals were involved in black market operation dealing mainly in butter and meat, which were in short supply in the region's markets. Money and goods confiscated from members of the gang totaled 700,000 rubles (about 875,000 U.S. dollars). One of the ringleaders of the gang, Bobrov, was the commerce bureau chief of Rostov, who was sentened to death.

KOREAN COMMITTEE OPPOSES 'TEAM SPIRIT' EXERCISES

OW070856 Beijing XINHUA in English 0819 GMT 7 Feb 86

[Text] Pyongyang, February 7 (XINHUA) -- The United States should immediately cancel its plan to hold a joint military exercise with South Korea, a memorandum issued here yesterday said. The memorandum, released by the Pyongyang-based Korean Committee for Peaceful Reunification of the Fatherland, also urged the United States to withdraw its troops and all nuclear weapons from the Southern part of Korea and stop interfering in Korean affairs.

The United States and South Korean authorities announced on January 18 that they would hold joint military exercises, code-named "Team Spirit-86" from February 10 to late April, with 200,000 troops participating. The memorandum denounced the joint military war games as preparations for both conventional and nuclear war against the Northern part of Korea, as some nuclear weapons and electronic technology are believed to be part of the upcoming exercises. The exercises, the memorandum pointed out, is completely contrary to the spirit of 1986 as the "International Peace Year" and poses a serious challenge to the North-South dialogue and the peaceful reunification of Korea.

The memorandum called on governments, communities and peoples all over the world to back the call for a halt to the U.S.-South Korea joint military exercises' which will disrupt once again the North-South dialogue and create (?tension) on the Korean peninsula.

S.KOREAN UNIVERSITY STUDENTS STAGE DEMONSTRATIONS

OW050836 Beijing XINHUA in English 0829 GMT 5 Feb 86

[Text] Pyongyang, February 5 (XINHUA) -- About 2,000 police were called out to the campus of Seoul National University yesterday to disperse 1,000 students demonstrating against the South Korean authorities, according to the Korea national news agency. The news agency quoted a Seoul radio report as saying the students retaliated with petrol bombs and stones. The demonstration, the largest so far this year, lasted for more than four hours.

The students, from nine different universities in Seoul, held a meeting on the campus to form an inter-college body, the report said. In a statement issued yesterday, the Pyongyang-based Korean Committee for the Peaceful Reunification of the Fatherland condemned the South Korean authorities for suppressing the student movement. It said the movement is not a crime but a patriotic struggle. The statement urged the south Korean authorities to release the 19 students arrested during a three-day occupation of the U.S. Information Service Center in Seoul last May.

CHINESE TRADE EXIBITION OPENS IN TOKYO

OW061125 Beijing XINHUA in English 1030 GMT 6 Feb 86

[Text] Tokyo, February 6 (XINHUA) -- A Chinese trade exhibition sponsored by the Tokyo Tkashimaya Department Store opened here today. A spokesman for the store said that visitors would see a facet of China's modernization through this exhibition.

Commodities on display include Chinese arts and crafts, garments, food products, porcelain and Chinese herbs. The exhibition will last for 15 days before moving to Yokohama, Osaka, Kyoto and other Japanese cities.

FIGHTERS REPULSE 10 SRV ATTACKS ON YUNNAN FRONT

OW070444 Beijing XINHUA Domestic Service in Chinese 0206 GMT 7 Feb 86

[By reporter Li Shiyuan]

[Text] Kunming, 7 Feb (XINHUA) -- On the eve of the Spring Festival, the Vietnamese Army continuously launched armed provocations against our Army in the Yunnan border area. The 4th company of a certain regiment of Yunnan's border defense force firmly held their position and was commended in a circular issued by the leading organ at the higher level for having bravely repulsed 10 Vietnamese Army offensives in a day.

On an early morning a few days ago, clouds and fog curled up and wound around a nameless highland. The Vietnamese Army fiercely bombarded our border area. As a result, the nameless highland was enveloped in gunsmoke. The Vietnamese Army then divided its force into three parts and launched an offensive against our Army. Immediately, gunshots, cannon report, and grenade explosions filled the air. Qiang Jun, deputy leader of our 4th company, led a squad to firmly hold the highland's most forward position. He ordered his fighters to take cover well and stop shooting until the enemy was near. Fifty meters, 40 meters, 30 meters...the enemy was getting closer and closer. As soon as Qiang Jun gave his order, fighters' submachineguns and light and heavy machineguns cracked and the enemy fell.

Our Army's sentry post No 5 stood on a commanding height, which the enemy rabidly attempted to seize. Wei Xuedang, leader of the 3d platoon, let four fighters in firmly holding that position. He was wounded three times, but he insisted on fighting. He encouraged the fighters by saying: "The Spring Festival is coming soon. All people in the country are watching us. We must hold our position and defend the people of our motherland who are enjoying the Spring Festival." Li Yicheng, a veteran fighter hailing from the Yimeng mountain region, was urged by his home to return and get married during the Spring Festival period. He said: Without state security, nobody can enjoy happiness. My aspiration is to have all families united. While in combat, he was wounded in the belly and could not stand. He crawled into a trench and used a machinegun to strafe the enemy.

AUSTRIAN FOREIGN MINISTER ON VISIT TO SRV

OW061918 Beijing XINHUA in English 1909 GMT 6 Feb 86

[Text] Hanoi, February 6 (XINHUA) -- Visiting Austrian Foreign Minister Leopold Gratz said here Thursday that Vietnam, after a long war, should now work towards peaceful reconstruction. The foreign minister told a press conference after a three-hour talk with his Vietnamese counterpart Nguyen Co Thach and a meeting with Chairman Pham Van Dong of the Council of Ministers that he and the Vietnamese leaders had discussed various regional issues including a peaceful solution to the Kampuchean problem. Gratz described the discussions as "useful," and said that his trip to Hanoi is mainly to establish contact with all the parties involved in the Kampuchean issue and to get acquainted with their positions. The foreign minister said, however, that he is not acting as a mediator in his capacity as chairman of the United Nations-sponsored International Conference on Kampuchea.

The Austrian diplomat, who arrived here Wednesday for a two-day official visit to Vietnam, declined to comment on the attitudes taken by different sides concerned, but suggested that the Vietnamese military presence in Kampuchea and the so-called "outside forces" backing the different parties in the country be regarded as obstacles to resolving the problem. Gratz said that all the forces should negotiate without insisting on "pre-conditions" to peaceful negotiation. Observers here noted that the foreign minister still holds his position as chairman of the U.N. International Conference on Kampuchea, a title that Vietnam has been reluctant to acknowledge. Hanoi stressed when it announced Gratz' arrival that he has come to Vietnam only as Austrian foreign minister.

PHILIPPINES REPORTS 51 KILLED IN ELECTION VIOLENCE

OW061648 Beijing XINHUA in English 1626 GMT 6 Feb 86

[Text] Manila, February 6 (XINHUA) -- At least 51 people have been killed and many others wounded throughout the Philippines in violence related to the presidential election to be held tomorrow. This was disclosed by Constabulary Chief Lt. Gen. Fidel V. Ramos here today, the PHILIPPINE NEWS AGENCY reported.

Ramos appealed for calm and sobriety in the face of what he called a "rising crescendo" of politically-triggered violence all over the country. He described as "unusually intense" the political rivalry between leaders and followers of the opposing candidates, namely President Ferdinand Marcos and opposition aspirant Corazon Aquino, even at the grass-roots, municipal and city level. He said about 40 people were hurt here yesterday when alleged opposition supporters stoned and shot at people going to attend a ruling party rally. However, he assured the nation of "a generally peaceful election."

About 80,000 constabulary and police personnel have been directly engaged and 5,500 others from the regional unified commands have been in place of augmentation troops. The rest were also alerted and placed on reserve, Ramos said.

PRC-ITALY SPORTS PROTOCOL SIGNED IN ROME

OW070100 Beijing XINHUA in English 0049 GMT 7 Feb 86

[Text] Rome, February 6 (XINHUA) -- China and Italy signed a sports exchange protocol for 1986 here Wednesday. According to the protocol, the two countries will exchange visits of teams in fields like soccer, volleyball, ice hockey, handball, fencing, archery and track and field.

SPANISH PARLIAMENT APPROVES REFERENDUM ON NATO

OW061248 Beijing XINHUA in English 1231 GMT 6 Feb 86

[Text] Madrid, February 5 (XINHUA) -- The Spanish Parliament today voted to hold a referendum on March 12 on Spain's continued membership in the North Atlantic Treaty Organization (NATO).

The approval came after two days of heated debates on the country's policy on peace and security. The vote was 207 in favor, 103 against and 20 abstentions. Socialist and Communist Members of Parliament supported the government proposal while the conservative opposition Popular Coalition Party opposed it. Small centrist parties abstained.

During the debate, Prime Minister Felipe Gonzalez reiterated his position that Spain should stay in NATO without joining the organization's military structure. He said Spain should not permit nuclear weapons on Spanish soil and that it should gradually reduce U.S. military presence in Spain. Spain joined NATO in 1982.

UK GOVERNMENT FINANCES SPACE PLANE STUDIES

OW061353 Beijing XINHUA in English 1317 GMT 6 Feb 86

[Text] London, February 5 (XINHUA) -- Britain will provide up to three million pounds sterling (4.2 million U.S. dollars) over the next two years for studies into the "aerospace plane" known as the horizontal take-off and landing aircraft, or "Hotol" for short. The Department of Trade and Industry, which is to finance the "proof-of-concept" studies, said today the funding will initially cover a six-month period, upon which a review of progress will be made.

The idea, put forward by British Aerospace and Rolls-Royce, is for an eventual manned "transatmospheric" vehicle that would land and take off like a conventional aircraft but soar into near-earth orbit to perform tasks in space, such as satellite launching and repair, and eventually commercial transport. The U.K.'s Hotol scheme was unveiled at the Farnborough Air Show in 1984. Subsequent work to refine the concept has been conducted as a private venture by the two companies. A department spokesman stressed today that initially only "proof-of-concept" studies to determine the feasibility of the idea are being undertaken, and if progress was considered satisfactory the studies would continue for the full two-year period.

The cost for the first six months will be about 750,000 pounds (1.03 million dollars), shared by the British National Space Committee and the companies involved. Comparable research into similar "aerospace planes" or "transatmospheric vehicles" is under way in the United States, where a number of similar studies are underway. Both the U.K. and the U.S. have said that development of Hotols will take a long time, and it will be at least 15 years before a viable vehicle emerges. Scientists and engineers of both countries believe that such vehicles will initially be used for military or purely space-research purposes. It would take much longer, probably not until the next century before they are used for commercial purposes.

XINHUA INTERVIEWS WANG YAOTING ON TRADE WITH GULF

OW061343 Beijing XINHUA in English 1326 GMT 6 Feb 86

[Text] Beijing, February 6 (XINHUA) -- Excellent prospects exist for economic relations and trade between China and the Gulf countries. Wang Yaoting who visited the United Arab Emirates (UAE) last month made this observation in an interview with XINHUA here today. Wang has just retired from his post as chairman of the China Council for the Promotion of International Trade.

Describing his visit to the UAE as successful, Wang said that during his visit he had signed an agreement on friendly cooperation between the China Council and the Chamber of Commerce of Abu Dhabi with chairman of the chamber, Al-'Utaybah. He also presided over a ceremony in the capital of the UAE for establishing a China Center for the Promotion of Trade, the first people-to-people organization to be set up by China in the Gulf region. Wang noted that his visit was followed by Chinese Vice-Premier Yao Yilin's trip to the UAE, Oman and Kuwait last November and State Councillor and Foreign Minister Wu Xueqian's visit to the UAE last December.

An agreement on investment protection between China and Kuwait, and an agreement on economic and technological cooperation and trade between China and the UAE were signed during Yao Yilin's visit to these two countries. These have laid a very good foundation for further expansion of economic relations and trade between China and the Gulf countries and also show that both the Chinese Government and people-to-people organizations attach great importance to developing such relations.

With the strengthening of political relations between China and the Gulf region, economic relations and trade have developed rapidly. The volume of trade has reached several hundred million U.S. dollars. In recent years, Wang said, there has also been cooperation on labor services. China has set up ten or more companies to contract for work on construction, civil engineering, nonferrous metals, metallurgy and aviation technology in Kuwait and the UAE.

Wang said there exist many favourable conditions for developing economic relations and trade in the Gulf region. One of the reasons is that most of the Gulf countries follow free trade policies and do not place restrictions on imports. So this provides China with a vast potential market. The Gulf countries are rich in petroleum resources and have abundant foreign exchange reserves. Their consumer goods are mostly imported. China's traditional exports such as textiles, light industrial products, foodstuffs, and carpets are welcomed in Gulf markets.

In recent years, Wang said, China's annual export volume to these countries has been less than one per cent of the Gulf countries' total import volume of 100 billion U.S. dollars. Wang urged trading departments to improve commodity and packaging quality and increase varieties of export goods so as to meet the needs of the people of the Gulf countries. He hoped for more efficiency especially in transportation so that delivery times could be shortened.

PRC-AIDED RADIO STATION COMMISSIONED IN ZANZIBAR

OW051929 Beijing XINHUA in English 1919 GMT 5 Feb 86

[Text] Dar es Salaam, February 5 (XINHUA) -- A short-wave transmitting station built with China's aid, was commissioned in Zanzibar today. Tanzanian President Ali Hassan Mwinyi presided over the ceremony which was attended by more than 500 people, including Secretary-General of the ruling Tanzanian Revolutionary Party Rashid Kawawa and other senior party and government officials. They gathered in Zanzibar to celebrate the ninth anniversary of the party.

Addressing the ceremony, Zanzibar Minister of Information, Culture and Sports Ramadhani Shabani thanked the Chinese Government for building the radio station and hoped that the fraternal cooperation between Tanzania and China will continue to develop. Chinese ambassador to Tanzania Liu Qingyou also spoke at the ceremony.

Chinese Premier Zhao Ziyang laid the foundation stone for the project at Dole, a few kilometers north of the Zanzibar town when he visited the island in January 1983. The transmitting station will enable radio Tanzania-Zanzibar to be heard throughout North and West Africa and the Middle East.

GU MU MEETS VISITING BRAZILIAN SENATOR

OW061439 Beijing XINHUA in English 1430 GMT 6 Feb 86

[Text] Beijing, February 6 (XINHUA) -- State Councillor Gu Mu met with Brazilian Senator Roberto Campos here this afternoon. Gu briefed him on China's economic construction and its policy of opening to the outside world.

Campos said China's open policy has achieved great results in a short period, and has attracted worldwide attention. They also exchanged views on the development of bilateral economic and technological cooperation.

XINHUA INTERVIEWS PERUVIAN ENVOY ON TRADE

OW051203 Beijing XINHUA in English 1125 GMT 5 Feb 86

[Text] Beijing, February 5 (XINHUA) -- Peru hopes to achieve a remarkable trade growth with China this year, Peru's ambassador to China, Roberto Villaran Koechlin, said here in an interview today. Speaking with XINHUA reporters, Villaran expressed the hope that trade volume between the two countries, which amounted to about 60 million U.S. dollars last year, would greatly increase in 1986. "China's open policy has made it possible for our two countries to broaden cooperation and augment the volume of trade," the Ambassador said. He disclosed that China and Peru have signed a trade agreement and that Chinese specialists are at present in Peru helping to dig wells and build small hydroelectric power stations. Peru is interested in agricultural technology and in afforestation. Peru also has deserts and the two countries could cooperate in this field, he added.

Villaran, who assumed his post last December as Peru's sixth ambassador to China, described diplomatic ties between the two countries, which were established in 1971, as very good. "There have never been any problems," he said. He added that both China and Peru are Third World countries and their governments share many views on international issues. Both countries observe the principles of non-interference in each other's internal affairs, independence and non-discrimination. He also expressed the hope for further exchange of personnel and political contacts between the two countries in the future.

CANADIAN PRIME MINISTER TO VISIT PRC 8-12 MAY

OW060938 Beijing XINHUA in English 0849 GMT 6 Feb 86

[Text] Ottawa, February 5 (XINHUA) -- Canadian Prime Minister Brian Mulroney announced today that he will pay an official visit to China from May 8 to 12, following the world economic summit of major industrialized countries scheduled to be held in Tokyo from May 4 to 6.

His announcement was made in a written statement released here today. The statement said the visit underlines the priority that the government attaches to the greater development of Canada's relationship with the Asia-Pacific region.

CADRES, ORGANS BANNED FROM ENGAGING IN BUSINESS

HK060854 Beijing XINHUA Hong Kong Service in Chinese 1036 GMT 5 Feb 86

["The CPC Central Committee and the State Council Promulgate Regulations on Further Prohibiting Party and Government Organs and Cadres From Engaging in Business and Running Enterprises" -- XINHUA headline]

[Text] Beijing, 5 Feb (XINHUA) -- On 4 February, the CPC Central Committee and the State Council promulgated regulations on further prohibiting party and government organs and cadres from engaging in business and running enterprises.

The regulations of the CPC Central Committee and the State Council point out: Since the CPC Central Committee and the State Council issued, in December 1984, the decision on strictly prohibiting party and government organs and cadres from engaging in business and running enterprises, most enterprises run by party and government organs have either suspended operations or severed their links with the party and government organs, and most party and government cadres engaging in business or running enterprises have either returned to their units or given up their party or government posts. However, this unhealthy tendency has not been completely curbed. Some party and government organs and cadres still adopt various tricks to continuously engage in business and run enterprises; some party and government leading cadres still concurrently hold posts in enterprises; some relatives take advantage of the relationships and influence of leading cadres to engage in business or run enterprises; and some serious irregularities in commercial dealings and the running of enterprises, particularly those involving certain leading cadres, have not been properly dealt with. It can be very harmful if party and government organs and cadres engage in business, run enterprises, take advantage of their positions and powers to seek private gain, and feather their nests at public expense.

In an effort to resolutely curb this unhealthy tendency, the CPC Central Committee and the State Council have made further stipulations on some relevant issues:

1. No party or government organs, including organs of party committees, organs of state power, administrative organs, judicial organs, and procuratorial organs at all levels, or their subordinate institutions, are allowed to engage in business or to run enterprises. All enterprises that are still operating in violation of the stipulations, including those which have not severed their links with the organs concerned, as they should have done, or which have overtly severed their links but covertly not done so, must immediately suspend operations or thoroughly sever their links with the organs concerned, no matter which authorities have previously approved their operations.

2. With the exception of the special cases approved by the Secretariat of the CPC Central Committee and the State Council, no cadres, workers, or staff members of the above-mentioned organs, including those cadres who have withdrawn to the second line, are allowed to hold posts in various enterprises. Those who hold posts in enterprises must immediately resign from the enterprises or give up their posts in the party or government organs.

No in-service cadres, workers, or staff members are allowed to engage in business or to run enterprises by taking leave without pay. They should either give up their posts in the enterprises and resume their work in the original units or relinquish their public office.

3. With the exception of those approved by the Secretariat of the CPC Central Committee and the State Council, no retired cadres of the above-mentioned organs are allowed to hold posts in state-run enterprises. They are allowed to hold posts in non-state-run enterprises only after they have been retired for 2 years, but they are still not allowed to hold posts in enterprises under the jurisdiction of the organs where they formerly worked. After the retired cadres hold posts in enterprises, they will no longer be eligible for the treatment accorded to retired cadres according to the state regulations.

4. Those cadres, workers, and staff members who participate in illegal business activities or afford other people the opportunity of carrying out illegal business activities should be punished according to party and administrative discipline, and the leading cadres concerned should be severely dealt with. Those violating the criminal laws should be punished according to the law.

5. No child or spouse of a leading cadre who works at party and government organs or at their subordinate institutions is allowed to temporarily leave a post to engage in business or to run an enterprise. Those who do not work at party and government organs or at their subordinate institutions are not allowed to take advantage of the influence and relationships of leading cadres to engage in business, to run an enterprise, or to seek profit illegally. Those violating the stipulations should be seriously dealt with. All their ill-gotten gains should be confiscated.

6. After the enterprises run by party and government organs, or their subordinate institutions, or their cadres suspend operations, the departments in charge of professional work directly responsible for giving approval should be responsible for winding up the work. Both the departments in charge of professional work directly responsible for giving approval and the enterprises concerned should jointly assume economic and legal responsibilities for any losses, bankruptcies, inabilities to pay debts, or other serious consequences caused by illegal business dealings. Moreover, it is also necessary to investigate and determine the responsibility of personnel concerned.

7. With regard to applications for the establishment of enterprises, the industrial and commercial administrative organs should examine and approve them in strict accordance with the relevant state regulations. They should adhere to principle and act according to the law. Actions will be taken against those who neglect their duties. Leading cadres at all levels are not allowed to interfere with industrial and commercial administrative organs in exercising their functions and powers according to the law.

8. These regulations are applicable to mass organizations such as the CYL, women's federations, federations of literature and art circles, associations for science and technology, and various associations and societies, as well as the cadres, workers, and staff members of these organizations. If special cases make it necessary for these organizations to set up noncommercial enterprises, they should report to the State Council or the provincial, autonomous regional, and municipal people's governments for approval.

9. Problems in labor service companies set up with the purpose of providing employment to youths and in enterprises set up by town or township authorities or neighborhood committees will be investigated and studied by the departments concerned and separate regulations will be made.

10. The question of Army organs and cadres running enterprises should be dealt with according to the "provisional regulations on armed forces engaging in production, business, and foreign trade", approved and issued by the State Council and the Central Military Commission in May 1985. The State Council and the Central Military Commission will make separate regulations on specific issues.

The CPC Central Committee and the State Council call on party committees and governments at all levels to resolutely implement these regulations and to strictly enforce orders and prohibitions. Those refusing to implement the regulations will be seriously dealt with; actions will also be taken against the leaders concerned. The discipline inspection commissions and the industrial and commercial administrative organs at all levels should supervise the implementation of the regulations in close coordination with the organization, personnel, auditing, tax, banking, judiciary, and other departments. The CPC Central Committee and the State Council also pointed out that if previous relevant regulations do not conform to these regulations, the new regulations will supersede all others.

QIAO SHI, BO YIBO AT PARTY RECTIFICATION MEETING

OW061355 Beijing XINHUA Domestic Service in Chinese 0756 GMT 6 Feb 86

[Text] Beijing, 6 Feb (XINHUA) -- After completing their scheduled tasks, the second-stage party rectification inspectors' groups sent to various localities by the Central Commission for Guiding Party Rectification have recently been recalled. The General Office of the Central Commission for Guiding Party Rectification held a party rectification inspectors work report meeting in Beijing recently. Comrades attending the meeting extensively exchanged reports on the situation, reviewed experiences, evaluated their performance and problems in party rectification work at the prefectural and county levels on the basis of seeking truth from facts, analyzed trends in rural party rectification work, and presented positive proposals on the task of correcting the whole party's work style.

Qiao Shi, member of the CPC Central Committee Political Bureau and head of the leading group for correcting the party's work style in the central organizations; Bo Yibo, permanent vice chairman of the Central Commission for Guiding Party Rectification; and other leading comrades of the central authorities and the Central Commission for Guiding Party Rectification met with the comrades attending the meeting and delivered speeches. Qiao Shi pointed out that the central party, government, and Army organizations must strive to score marked achievements in correcting the party's work style before the end of this year. Bo Yibo called on the General Office of the Central Commission for Guiding Party Rectification to firmly grasp two things before the end of this year: One is to strive to firmly grasp party rectification work in units at and below county level, mainly rural townships and villages, as well as city neighborhoods, in cooperation with the party committees of the various provinces, autonomous regions, and municipalities under the central government. The other is to assist in firmly grasping the work of correcting the party's work style in central organizations, organizations in various provinces, autonomous regions, municipalities under the central government, and other units which have implemented party rectification; and to assist in consolidating and developing achievements in party rectification.

At the beginning of the second-stage party rectification in March last year, the Central Commission for Guiding Party Rectification sent seven party rectification inspectors groups to northeastern, northern, northwestern, southwestern, central-south, and eastern China. Within a year, with the warm support and assistance of party committees in the various provinces, autonomous regions, and municipalities under the central government, the various party rectification inspectors groups had accomplished a great deal and familiarized themselves with the situation, discovering problems, reviewed experience, made proposals; in other aspects of work, they centered on party rectification at the prefectural and county levels. They have made positive contributions to the promotion of second-stage party rectification work.

The comrades of the inspectors groups attending the meeting unanimously maintained that, generally speaking, under the leadership of the party committees of the central authorities, provinces, autonomous regions, and municipalities under the central government, prefectural and county-level party rectification has developed healthily with marked achievements.

In some aspects, it has made new progress and development, compared with first-stage party rectification. It was manifested mainly in the following facts: 1) Relatively more systematic education in party spirit, ideals, party discipline, and party purpose was effected among the broad masses of party members and cadres who are party members, resulting in some enhancement of the party members' political and ideological qualities; 2) the work of correcting the party's work style was relatively more firmly grasped, and a number of people with serious problems were sternly investigated and handled, thereby stopping unhealthy tendencies; 3) widespread understanding by party members and cadres who are party members with respect to the policies of opening up to the outside world, enlivening the domestic economy: reform was further enhanced, thus lending impetus to the economy and reform work; and 4) in connection with the inspection of party rectification, a number of leading bodies were readjusted. The work of purifying organizations was also meritorious. All this has created good conditions for strengthening party building in the new period, and for promoting socialist material and spiritual civilizations. The major problem existing in prefectural and county-level party rectification was that development was very uneven, with a considerable number of units carrying out party rectification work in a generalized way, while a small number of other units were doing a relatively poor job. It is necessary for party committees at higher levels to adopt powerful measures to guide, supervise, and help those units continue to solve the existing problems on the basis of conscientious inspection.

When talking about rural party rectification, the comrades of the inspectors groups pointed out: Since the Central Commission for Guiding Party Rectification issued the circular on the planning of the rural party rectification work, the various localities have, in accordance with the demand of the circular, carried out concrete planning of rural party rectification work in their respective localities in light of present realities. Currently, most of the township-level party rectification is being systematically implemented and is developing favorably. The crux is to continue to firmly grasp the models and to strengthen the work of providing concrete and classified guidance. At the same time, it is necessary to further study and solve important issues of policy and limitations in rural party rectification.

During the meeting, the comrades studied important speeches and instructions recently made by Hu Yaobang, Deng Xiaoping, Chen Yun, and other central leading comrades concerning improvement of party style. The consensus is that, since the meetings of cadres of the central organs, an excellent situation has emerged in party rectification and improvement of party style, and that, as long as leaders at all levels enhance their understanding, achieve unity of thought, refrain from empty talk, do more solid work, eradicate bureaucratism and the unhealthy practice of shielding one another, and earnestly take the lead in improving party style, we shall certainly be able to achieve greater results than we have already achieved in improving party style among all party members, in line with the requirements set by the party Central Committee.

On the afternoon of 1 February, Qiao Shi, Bo Yibo, and other leading comrades of the party Central Committee and the Central Commission for Guiding Party Rectification met with the members of the inspectors groups at Huairentang Hall in Zhongnanhai. Comrades Qiao Shi and Bo Yibo praised the inspectors for having done a tremendous job, and thanked them on behalf of the party Central Committee and the Central Commission for Guiding Party Rectification.

After the meeting, Bo Yibo made a speech. He pointed out: In order to successfully carry out party rectification and improve party style, it is necessary to focus attention on the following three aspects: First, it is necessary to carefully study the central authorities documents and grasp the ideological weapon and material dialectics; second, it is necessary to increase investigation and study to obtain first-hand information; and third, it is necessary to uphold the principle of party spirit in boldly struggling against unhealthy tendencies.

He said: We should study the basic principles of Marxism-Leninism-Mao Zedong Thought, as well as resolutions by the party Central Committee and speeches by the leading comrades of the Standing Committee of the Central Political Bureau since the 3d Plenary Session of the 11th CPC Central Committee. The series of important documents adopted by the party Central Committee, and important speeches by the leading comrades of the Standing Committee of the Central Political Bureau, which have integrated Marxism with China's practical experience in socialist construction, provide guidance in successfully instigating reform and the modernization drive. We should diligently, meticulously, and repeatedly study these documents and speeches, and insightfully understand their spiritual essence in order to follow correct guidelines in our work, and correct orientation in our advance. He said: Conducting in-depth investigations to obtain first-hand information is the premise and foundation for effectively carrying out our work, and there should be no exception as far as the work of party rectification and improvement in party style is concerned. Currently, there are some people, or should we say a handful of people, who, divorced from the ideological line of seeking truth from facts, do not tell the truth, adopt an ostentatious style, and evey play tricks to deceive higher authorities. It is not an easy job to conduct investigations to obtain first-hand information under such circumstances. Therefore, it is necessary to effectively remove obstacles, including all sorts of connections and networks, and master the skill and methods for conducting investigation and study under the new situation, so as to realistically, accurately, and thoroughly familiarize ourselves with the situation, learn how things stand, and do our work well.

Bo Yibo added: It has been 2 years and 2 months since party rectification was initiated, and work at prefectural and country levels will soon be completed. It is necessary to make conscientious efforts and to guard against perfunctoriness in carrying our party rectification at units under country level.

In his speech, Qiao Shi said: Large numbers of people inside and outside the party have been greatly inspired by the party Central Committee's determination to improve party style, as reflected in the meetings of cadres of the central organs called by the central Secretariat, and the establishment of a leading group to improve party style among the central organs. It should be noted that, in the course of party rectification over the past 2 years, the majority of units engaged in party rectification have solved quite a few problems about party style. On the basis of their achievements, we are fully confident that we shall certainly be able to bring about a fundamental improvement in party style by continuing to make solid efforts for 1 or 2 years in accordance with the party Central Committee's instructions on improving party style. Of course, we must demonstrate our determination and confidence with concrete actions. He said: The leading group on improving party style among the central organs is stepping up its efforts to, first of all, tackle a number of major cases. It will investigate each case and mete out punishment according to party discipline or the law without sparing anyone's sensibilities. It will ignore connections and stress only party discipline and state laws. Central party, government, and Army organs should strive to achieve marked results in improving party style this year. With the central organs truly playing an exemplary role, the work of improving party style among all party members should not be difficult.

'BRIGHT PROSPECTS' FOR TIGHTENING DISCIPLINE SEEN

HK070717 Beijing RENMIN RIBAO in Chinese 3 Feb 86 p 1

[Commentator's article: "There Are Bright Prospects for Really Tightening Party Discipline"]

[Text] The Seventh Plenary Session of the Central Discipline Inspection Committee, which recently concluded, stressed further enhancing party spirit, improving party style, and tightening party discipline under the new situation.

This meeting was another important meeting following that of the central organ cadres. It once more demonstrated our party's determination to improve party style.

The broad masses of people have for some time strongly reacted to two aspects of political life in our society. One is that the party's line and policies are good, prompting an improved economic situation and higher living standards for the people year after year. This is obvious to all and has won universal praise. The second is that the style of some party members and cadres is very bad, affecting general practices in society and not corrected in good time. The masses of people have a deep hatred for this and some people even for some time doubted whether it was possible to effect a fundamental change for the better in party style and society's general practices. The issue of party style is matter of life and death for the party. The masses of people have their eyes on our party and the whole country is looking at Beijing. In the beginning of January of this year, the party Central Committee and the State Council expressed their views at the meeting of central organ cadres held by the CPC Central Committee Secretariat. Now the Central Discipline Inspection Commission, in charge of discipline inspection work, has again held a plenary session to implement the policy decision of the party Central Committee. The party Central Committee's attitude is resolute and its measures are effective. The broad masses of party members and people have been greatly encouraged and their hopes and confidence greatly reinforced.

We should never be softhearted in stopping unhealthy trends. Some cases are very clear and yet they have been read and commented on by one person after another without being properly handled. Comment after comment is made before and after investigating these cases; there has been procrastination. At present, those who enforce party discipline and state laws are often softhearted and overly lenient. Why are they softhearted? Are they trying to spare somebody's feelings? Can they not afford to offend somebody? Are they bound hand and foot by a "network of connections?" Or are they themselves involved in some problems? It is worthwhile for leading organs and leading cadres encumbered with these problems to think clearly. It is not difficult to get tough either. Leading organs and leading cadres simply take the lead and set a good example. Leading bodies at a higher level must first do what they demand of their subordinate organs and must refrain from doing what is forbidden to subordinate organs', leading cadres must first practice what they demand of ordinary cadres. If the party's leading cadres, senior cadres in particular, are "ill," they should welcome others "diagnosis and treatment" and should "take the medicine" on their own initiative. "Improve oneself to govern the people." If leaders are not involved in any problems, they will have no worries, will have strong backing, and will dare to, and can, handle difficult problems.

A most important sign of overcoming softheartedness is to impartially enforce the law and to ensure equality for everybody before state laws and party discipline. If discipline is enforced among some people and not enforced among others, how can it still be called discipline? How can our orders and prohibitions be effective then? In our country, we do not allow the existence of "special citizens" on whom laws have no binding force. In our organs and organizations, we do not allow "special cadres" on whom administrative discipline has no binding force. Inside out party, we do not allow "special party members" on whom party discipline has no binding force. Anyone who has violated the law or discipline shall be sternly punished no matter if he is a senior cadre, the child of a senior cadre, or a well-known or public figure. If these people have violated the law, they will do greater harm and their punishment will enhance better results by enforcing the law. Therefore, we should make a point of not letting them go unpunished. Senior cadres must adopt a resolute, clear, and unequivocal attitude toward their children or dependents who have committed crimes. They should firmly support concerned departments meting out punishment according to the law. Otherwise, they will be held directly or indirectly responsible for the crimes.

Straightening out party style has long been a practical problem and not a theoretical one. In judging rights and wrongs, people usually "listen to what a person says and watch what he does." In some localities and departments, many slogans on stopping unhealthy trends have been shouted and many meetings held and yet the results are not satisfactory. The reason is very simple: They talk much but do little, make great efforts in the beginning but slacken toward the end, or even give up halfway. In order to stop unhealthy trends, we must share the persevering spirit of the foolish old man who removed the mountains and set a style of doing things with the power of a thunderbolt and the speed of lightning. We must also be tough about enforcing the law impartially. The remarks about our party made by the masses of people have always been fair: Once it has made up its mind, the Communist Party will certainly achieve what it intends to do. The masses have put it correctly; what we are going to do remains to be seen. Therefore, we say that there are bright prospects for really tightening party discipline.

'FIRST PHASE' OF ARMY REORGANIZATION ENDS

OW061251 Beijing XINHUA Domestic Service in Chinese 0255 GMT 6 Feb 86

[Text] Beijing, 6 Feb (XINHUA) -- Support-the-Army activities across China have taken on a new look as all localities are actively supporting the Army in reorganization.

The new year and Spring Festival of 1986 mark the successful conclusion of the first phase of the Army's reorganization [jun dui di yi jie duan zheng bian 6511 7130 4574 0001 7132 3008 2419 4882] and the beginning of a new phase. In carrying out the Spring Festival support-the-Army activities, all local governments and departments concerned are acting in response to the circular of the CPC Central Committee and the State Council which called on them to respect and love the Army and actively support the Army's reform and Army-building efforts. They are seriously summing up and reviewing the work they have done in the past year in support of Army reforms and Army building to see how well they have done in those matters concerning the Army's structural reform and reorganization that must be handled by the localities, whether there is anything that has not been done very well, and what steps should be taken to improve their work. The various localities have all taken concrete measures to support PLA units in solving actual problems. They are striving to do an even better job in support-the-Army work by keeping in mind what is urgently needed, desired, and required by the PLA units.

The first batch of Army cadres transferred to civilian work because of the Army's streamlining reorganization have already assumed work posts in the localities. Since making arrangements for the transferred Army cadres involves many quarters and entails meticulous and complicated work, it is personally handled by the principal responsible comrades in all provinces, autonomous regions, and municipalities. Concrete efforts are made to solve problems with respect to making job placements for the transferred Army cadres, their salaries and living quarters, employment for their dependents and schooling for their children. They have thus been fairly successful in satisfying all three groups -- the PLA units, the transferred cadres themselves, and the units that accept them. Last year, the transfer of division level cadres in large numbers was, for the first time, incorporated into the state plan. These cadres have served for a long time in the Army and made great contributions in Army building. The local governments have therefore taken some measures to see that appropriate arrangements are made for them where possible and paid attention to giving full play to their role. By the end of last year, the number of division level transferred Army cadres received in various localities reached 97.3 percent of the total number targeted in the plan.

Many provinces, autonomous regions, and municipalities have laid down rules that call for favored consideration to a proper extent when making arrangements for those transferred Army cadres who have performed exploits in combat, been models, or served a long time at border and coastal defense posts. Jilin Province has received 17 transferred Army cadres who have had the honor of winning a second class or higher merit. All of them have been given job placements in the organs directly under the province or in the prefecture or city level units. Shanghai Municipality has set up a development and service center for dual-purpose qualified personnel among retired Armymen to help transferred Army cadres improve their qualifications. Similar organizations have been set up in all of its districts and counties. This has opened channels for job placement. Among the first batch of more than 14,000 transferred Army technician cadres coming into Hebei Province, more than 98 percent have landed jobs similar to the ones they had in the Army.

As scheduled in the Central Military Commission's reduction-in-strength reorganization plan, county-level People's Armed Forces departments will be transferred to the localities as part of the local government establishment this year. In combination with their new year and Spring Festival support-the-Army activities, local governmental departments at various levels have assisted the Army in making many preparations for this change. Many northwest China localities are carrying out activities to "urge People's Armed Forces departments' cadres to stay" in the localities. In some prefectures and counties, the party and government leading comrades have paid house visits to their People's Armed Forces department's cadres to explain achievements in local economic construction and long term development planned; they have earnestly urged these cadres to remain in their localities and continue to make contributions there. The party and government organs and people in Yanan, carrying forward the tradition of "supporting the Army and giving preferential treatment to the families of Armymen," have actively solved problems and difficulties for the cadres of the local People's Armed Forces departments, enabling them to keep their minds on their work after their departments have been incorporated into the local establishment.

On new year's eve, the party and government leading comrades of Chengde Prefecture and Chengde City, Hebei Province, traveled over 1,000 kilometers to four counties, where they solicited opinions from the PLA units stationed there, publicized and popularized Luanping County's experience in supporting the PLA units to carry out reduction in strength reorganization, and studied the method to help the deactivated PLA units manage their Army property and various military facilities. The people on an island off the coast of Zhejiang, after a tearful send-off for the men of a deactivated PLA unit, divided the military facilities on the entire island into 17 separate entities and assigned specially-appointed personnel to take charge of each of them in an effort to help the PLA unit manage the facilities well. The fishermen say: Now that the Army has moved away from the island, the actual support-the-Army deed is to help the PLA manage the military facilities well.

AIRBORNE ELECTRONIC COUNTERMEASURE SYSTEM CERTIFIED

WA071200 Shanghai JIEFANG RIBAO in Chinese 22 Dec 85 p 1

[Text] A few days ago, China's most advanced airborne electronic countermeasure system passed its technical certification by concerned state organs at an Air Force unit in the Nanjing Military Region.

The electronic countermeasures system is a major weapon in modern warfare used to disrupt and destroy radar, communications, and command-and-control systems and to mask aircraft in surprise attacks on the enemy. As such, it plays a decisive role in the course and outcome of modern battles. This new electronic countermeasures system is mounted on fighter aircraft and was certified after a test period of 6 months. It is capable of detecting enemy radar and disrupting its operation, depriving the enemy of control over his weapons and paralyzing his command system.

YANG DEZHI VISITS BEIJING NAVY, AIR FORCE UNITS

OW070131 Beijing XINHUA Domestic Service in Chinese 1239 GMT 6 Feb 86

[By reporter Chen Xiangan]

[Text] Beijing, 6 Feb (XINHUA) -- Yang Dezhi, member of the Political Bureau of the CPC Central Committee and chief of the General Staff of the People's Liberation Army, visited certain Navy and Air Force grass-roots units in Beijing today.

In the morning, Yang Dezhi arrived at the 6th company of a certain unit under the Navy signal general station and extended greetings to fighters who were busy working. Later, he arrived at a certain Air Force unit's meteorological service station in the Beijing Military Region located on Longtanhu. Cadres and fighters of this station were praised by people of all circles for having bravely saved a student who fell into an icy lake. While launching activities of armymen and people promoting spiritual and material civilization together, they were repeatedly commended by Beijing Municipality as an advanced collective and pacesetting unit. Yang Dezhi was very happy to hear this and encouraged the commanders and fighters to do their work still better.

Hong Xuezhi, deputy secretary general of the Military Commission of the CPC Central Committee, accompanied Yang Dezhi on the tour.

YU QIULI, QIN JIWEI VISIT PLA TANK UNIT

OW060946 Beijing XINHUA Domestic Service in Chinese 1422 GMT 5 Feb 86

[By reporter Liu Huinian]

[Text] Beijing, 5 Feb (XINHUA) -- Yu Qiuli and Qin Jiwei today visited a unit of the tank force under a group army of the Beijing Military Region. Yu Qiuli is a member of the Political Bureau of the CPC Central Committee and director of the PLA General Political Department, while Qin Jiwei is an alternate member of the Political Bureau of the CPC Central Committee and commander of the Beijing Military Region. On behalf of the CPC Central Committee, the State Council, and the Central Military Commission, they extended Spring Festival greetings to the commanders and fighters.

At the drill ground of the tank unit in a Beijing suburb, Yu Qiuli and Qin Jiwei, braving cold weather, watched the tank crew's basic training on tank operation, communications and firing, and their gymnastic performance. Beside the tanks, Yu Qiuli and Qin Jiwei carefully inspected equipment made by the tank unit in the course of training and reform and asked the fighters about their training. Then, they visited the barracks and asked the fighters about their barracks life. Yu Qiuli felt the fighters' mattresses and bedding. The fighters told him: "They are very warm." Yu Qiuli said happily: "Good."

In the barracks, Yu Qiuli and Qin Jiwei sat with the fighters and chatted with them. They asked the fighters about their study, life, and work, and encouraged them to learn and help one another and make progress together in the glorious PLA. Yu Qiuli urged the cadres and party members in PLA companies to display further their exemplary role in the course of Army building, put other people's interests ahead of their own, srictly enforce discipline, participate in party activities, and practice democratic centralism well. He said: If cadres and party members of the PLA companies do this, the companies will have a new outlook.

Yang Baibing, political commissar of the Beijing Military Region, accompanied Yu Qiuli and Qin Jiwei on the visit.

ZHAO ZIYANG, OTHERS INSPECT SHANTOU, CHAOZHOU

OW070357 Beijing XINHUA Domestic Service in Chinese 1522 GMT 6 Feb 86

[By reporter Cai Dongshi]

[Excerpts] Guangzhou, 6 Feb (XINHUA) -- Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun inspected the Chaozhou and Shantou areas and the Shantou Special Economic Zone 2-5 February, praising the fine situation and correct methods adopted there after the policy of opening to the outside world and invigorating the domestic economy was implemented. They encouraged the cadres and masses to make the best use of favorable conditions and avoid the unfavorable ones in developing economic construction and to accumulate new experiences in rejuvenating the economy in coastal areas.

After arriving in Shantou, Comrade Zhao Ziyang and his entourage took a station wagon to the Chaozhou City eel farm, the radio porcelain plant, the electric flocking plant, the Fengzi Pottery Research Institute, the Shantou City textile mill, the Gongyuan photo-sensitive chemicals factory, the Supersonic Instruments Research Institute and several other joint ventures in the special economic zone. They also visited peasants, workers, and primary school teachers in the Fengzi No 1 Township of Chaozhou City and the new residential area in Shantou City. In the evening, they also toured a business center composed of several hundred individual commercial households and vendors.

Comrade Zhao Ziyang said: In both rural and urban areas, the situation in the Chaozhou and Shantou areas is fine, and such areas have taken a correct path. Comrades Hu Qili and Tian Jiyun also pointed out: From the urban area to the countryside, Shantou flourishes and its people lead a good life. From here, we feel the tempo of our nation forging ahead.

Comrade Zhao Ziyang pointed out: The Chaozhou and Shantou areas have local advantages such as the coastal location, a warm climate, fertile land, the hometowns of many Overseas Chinese, and fairly high educational standards and managerial expertise. However, there are also some disadvantages, such as limited land. The average acreage of land is only slightly over 4 fen per person. The areas also lack natural resources. Efforts must be made to exploit advantages and avoid drawbacks, and fully utilize our favorable conditions so that all qualified people and available land are put to best use. Carrying out reforms and opening up to the outside world has provided the Chaozhou and Shantou areas with favorable conditions in fostering strengths and circumventing weaknesses. It is necessary to actively develop and strengthen economic ties between foreign and domestic trade, adjust our economy to boost foreign trade and improve our capabilities in earning more foreign exchange. By earning more foreign exchange, we will be able to procure more grain, further readjust the production mix in agricultural production, and establish a brand new production system with emphasis on the manufacture of products to earn more foreign exchange.

During their inspection tour, Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun were extremely concerned over the work of introducing advanced foreign technology and improving it. They carefully listened to a Shantou City Supersonic Instruments Research Institute report on importing technology on a large scale and speeding the propagation of new technology and products. They unanimously believed that the path taken by this institute is correct.

While actively building material civilization, the Chaozhou and Shantou areas also pay full attention to developing spiritual civilization. In the past 2 years, the pace in promoting economic developments has quickened and the general mood in society has improved in these areas. Comrade Hu Qili held a special forum for briefings on various departments concerned.

He pointed out: The experience in the Chaozhou and Shantou areas indicates that the policy of opening up to the outside world and invigorating the domestic economy does not contradict the practice of rectifying party style and improving the general mood in society. It is entirely possible to achieve the goal in developing material and spiritual civilization simultaneously as put forward by Comrade Deng Xiaoping. This precisely reflects China's characteristics in developing socialist modernization. He called on party organizations at all levels to strengthen themselves organizationally, develop ideological and political work with definite objects in mind, strive to help cadres improve their qualities, and make improving party style and the policy of invigorating the economy supplement and promote each other.

During their tour, Zhao Ziyang and his entourage witnessed some cases involving the unauthorized use of land to build houses. They showed great concern in this regard, repeatedly pointing out: The illegal use of large tracts of arable land will give us endless trouble in the future. Land is extremely valuable in the Chaozhou and Shantou areas. We must double our efforts in cherishing and saving land. The leadership at all levels should adopt effective economic and legal measures to halt unauthorized use of land for housing and guide rural areas in developing high-rise buildings.

XI ZHONGXUN, WANG ZHAOGUO FETE NEW COMPATRIOTS

OW070220 Beijing XINHUA Domestic Service in Chinese 1600 GMT 6 Feb 86

[By reporter Fan Liqing]

[Text] Beijing, 6 Feb (XINHUA) -- The United Front Work Department of the CPC Central Committee hosted an informal banquet at the Beijing Hotel this evening in honor of some people who returned from Taiwan or abroad and settled on the mainland in recent years.

The banquet hall was permeated with a jubilant festive atmosphere. Invited to attend the banquet were Huang Shunxing, a noted Taiwan non-Kuomintang personage and Taiwan's former "member of the Legislative Yuan" who returned recently; Yuan Xiaoyuan, a former "deputy of the National Assembly" and currently member of the National Committee of the CPPCC; Peng Hongwen, member of the National Committee of the CPPCC; and Yang Ximei, Yue Lun, Xie Yuchen, Peng Peigen, Zhu Butang, Jia Shizeng, Wu Guozhen, Tian Xiangkui, and Liao Qiuzhong.

Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, and Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, were present at the banquet. Xi Zhongxun made an impromptu speech before the banquet. He said: China needs unity, peace, and construction. We must make efforts in these three aspects. China's unity means unity among the Chinese people, including the Taiwan compatriots. China's peace means we do not want war and that we also hope no countries in the world want war, so that instead they can spend money for production and construction and improve the people's livelihood. China's construction includes reforms. Yan Mingfu, head of the United Front Work Department of the CPC Central Committee, proposed a toast. He said: Seated with us here are old friends with whom we have worked for years and quite a few new friends who recently returned and settled on the motherland's mainland. I deeply believe the motherland's reunification and our nation's prosperity are our common aspiration as well as our common goal. Let's march forward hand in hand.

Also present at the banquet were Li Gui, Jiang Ping, Li Ding, Ping Jiesan, Yang Zhengmin, Yang Side, Su Ziheng, Li Liyun, and other responsible persons of departments concerned.

YAO YILIN, BO YIBO AT FOREIGN TRADE BANQUET

OW041617 Beijing XINHUA in English 1449 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- Economic and trade representatives from many countries and regions, and foreign commercial officials stationed in China, were honored at a Spring Festival reception here tonight. The reception was given by the China Council for the Promotion of International Trade.

Its chairman, Jia Shi, said the council had for many years enjoyed support and co-operation from foreign friends in the development of overseas trade and the promotion of mutual understanding with peoples of countries all over the world. He hoped trade and economic and technological co-operation between China and other countries would continue to grow.

Present at the reception were Vice-Premier Yao Yilin and Honorary Chairman of the Council Bo Yibo.

YAO YILIN, GU MU AT SPRING FESTIVAL TEA

OW061018 Beijing XINHUA Domestic Service in Chinese 1318 GMT 5 Feb 86

[Excerpt] Beijing, 5 Feb (XINHUA) -- Yao Yilin, vice premier of the State Council, and State Councillor Gu Mu attended a tea this afternoon to greet the Spring Festival together with members of the State Council Councillors office and researchers and special researchers of the Central Research Institute of Culture and History. The average age of the 54 councillors is 79 and that of the 18 researchers and special researchers is 80. The majority of them are either members of the democratic parties or persons with no party affiliation.

Gu Mu extended greetings to them and wished them good health and longevity. He said: The party central committee recently called on the central organs to take the lead in improving party style in the country. It is hoped that comrades who are present today will offer constructive suggestions to help us improve our work.

LI PENG VISITS BEIJING TEACHERS, SCHOOLS

OW070046 Beijing XINHUA Domestic Service in Chinese 1400 GMT 6 Feb 86

[By reporter Li Shangzhi]

[Text] Beijing, 6 Feb (XINHUA) -- Li Peng, member of the Political Bureau and Secretariat of the CPC Central Committee, vice premier of the State Council, and minister of the State Education Commission, visited teachers at Jingsong Vocational Middle School and the Welfare Village Center Primary School in Chaoyang District, Beijing, this afternoon. He extended regards and respects to the rank-and-file teachers.

At Jingsong Vocational Middle School, Li Peng held discussions with the teachers, and he asked detailed questions about teaching at the school. He said: We must vigorously develop vocational education to meet the needs of the four modernizations. We have taken the right approach in running vocational high schools. The vocational schools must attach great importance to vocational and moral ethics in order to bring up students with lofty ideals, who are law-abiding and who love their vocations, and who are competent in work and willing to serve the people.

During discussions with teachers at the Welfare Village Center Primary School, Li Peng inquired about their work, livelihood, and teaching. He told the teachers: Primary school is an important stage for laying the foundation of one's life. The students are the flowers and the future of the motherland, and you are the industrious gardeners. Through your hard work and labor, the students are able to grow up in an all-round way morally, intellectually, and physically.

LI PENG HONORS FOREIGN EXPERTS BUREAU AT BANQUET

OW061654 Beijing XINHUA in English 1541 GMT 6 Feb 86

[Text] Beijing, February 6 (XINHUA) -- Foreign experts of long service to China were honored at a Spring Festival banquet given by the Foreign Experts Bureau of the State Council here this evening. Vice-Premier Li Peng, on behalf of the Chinese Communist Party Central Committee and the State Council, expressed heartfelt thanks to them for their contributions to the Chinese people's revolution and construction. Among the guests were nearly 40 experts who are now working in Chinese press and publishing institutions and universities. Most of them came to China around the founding of the People's Republic of China in 1949.

Present were also Vice-Chairman of the National People's Congress Standing Committee Huang Hua, and State Councillors Ji Pengfei and Zhang Jingfu.

WAN LI AT CELEBRATION HONORING NOTED PROFESSOR

SK050131 Beijing City Service in Mandarin 1000 GMT 27 Jan 86

[Text] On the afternoon of 26 January, the Beijing Medical College held a celebration in honor of Professor (Ye Gongshao), nationally noted specialist on juvenile health affairs, who had engaged in teaching, scientific research, and popularizing science for 50 years. Leading comrades, including Wan Li, He Dongchang, and Cui Yueli, attended the celebration to extend their congratulations on his achievements.

After graduating from the Beijing Xiehe Medical College in 1935, Professor (Ye Gongshao) chose the field of preventive medicine, regarded the health of young people as his life-long career, and has industriously worked in this regard for half a century. Under the concern shown by the party and the state, he has made important contributions to improving the status of juvenile health in the country. Over the past few years he has continued to research and write despite his old age and has often published articles on popularizing science in some periodicals. Therefore, Professor (Ye Gongshao) is not only a medical specialist, but also a social activist. Over the past many years he has continuously worked to peacefully reunify Taiwan with the motherland and achieve an early reunion of family members on the two shores of the Taiwan Strait.

At the celebration, Professor (Ye Gongshao), who is now 77 years old, happily stated: The current situation in our country is very good. I will never let the party and the people down and will do my very best in regard to health affairs.

CHEN MUHUA VISITS BANK PRESIDENTS IN TIANJIN

SK070509 Tianjin City Service in Mandarin 0030 GMT 7 Feb 86

[Text] Chen Muhua, alternate member of the Political Bureau of the CPC Central Committee, state councillor, and president of the People's Bank of China, arrived in Tianjin Municipality to conduct investigation and study.

She came to the Tianjin branch office of the People's Bank of China on the morning of 6 February to visit the presidents of various specialized banks in the municipality, extend Spring Festival greetings to them, and ask them to convey her Spring Festival greetings to all workers and staff members in banking circles.

She also delivered a speech on her investigations conducted in the municipality over the past few days. In her speech Comrade Chen Muhua stressed: Banks should improve their work style and service, and should guard against situations where people find it difficult to enter banks and handle affairs and where customers are served with impolite remarks and faces. The credit cooperatives should delve into the rural areas, and the industrial and commercial banks should delve into the enterprises and neighborhoods. Support should be given to post offices to run the deposit business. Along with the constant development of the banking business, we must pay attention to training the cadres of various banks. The existing cadres should study, and new cadres should be trained. If possible, some specialized schools and temporary training classes should be opened.

Comrade Chen Muhua arrived in Tianjin on 1 February and returned to Beijing on the afternoon of 6 February.

QIAO SHI GREETS POLICE ON SPRING FESTIVAL

OW0701135 Beijing XINHUA Domestic Service in Chinese 0915 GMT 6 Feb 86

[By reporter Zou Qiquo]

[Text] Beijing, 6 Feb (XINHUA) -- Qiao Shi, member of the Political Bureau and the Secretariat of the CPC Central Committee and secretary of the Central Commission of Political Science and Law, visited the armed police detachment in Tiananmen and the police station on West Changan Street under the Xicheng Subbureau on the Beijing Municipal Public Bureau this morning to extend greetings to cadres and policemen working hard on public security and judicial fronts during the Spring Festival.

The armed police detachment safeguarding the national flag in the Tiananmen Square is known as the "guard of the national flag." Qiao Shi arrived at the armed police detachment together with Liu Fuzhi and Chen Weida, deputy secretaries of the Central Commission of Political Science and Law, Ruan Chongwu, minister of public security, and Li Lianxiu, commander of the armed police force. After their arrival, Detachment Commander Wang Zhongxiang gave a briefing on the detachment fighters' mental state, training, and everyday life. Qiao Shi told the fighters on the national flag squad: "You perform an honorable duty of guarding the national flag. We all salute you. I hope you will continue to exert yourselves to do even a better job."

In the police station on West Changan Street, Qiao Shi had a cordial conversation with the cadres and policemen. Station head Wang Chongxun told Qiao Shi and other comrades that residents living under the police station's jurisdiction always seek their assistance in solving problems. Qiao Shi said: "It is good that the people are willing to visit the police station to report their problems. Police cadres and policemen should try their utmost to serve the masses. I wish you greater successes in the coming new year."

HAO JIANXIU VISITS ORPHANS, DISABLED SOLDIERS

OW070243 Beijing XINHUA Domestic Service in Chinese 1342 GMT 6 Feb 86

[By reporter Luo Changhua]

[Excerpts] Beijing, 6 Feb (XINHUA) -- Hao Jianxiu, member of the CPC Central Committee Secretariat, visited orphans and handicapped children at the Beijing Municipal Children's Welfare Center this afternoon and extended her regards to its medical and health workers and teachers. She hoped that all of society would show concern for and support the welfare services for children. The children's welfare center employs 108 workers and staff members. Hao Jianxiu said to them: Your job is hard work. I hope that you will bring up these children as you would your own.

Hao Jianxiu today also visited disabled soldiers living at a social welfare center.

HAO JIANXIU ADDRESSES LITERARY, ART WORKERS

OW060304 Beijing XINHUA Domestic Service in Chinese 1201 GMT 5 Feb 86

[By reporters Sun Xiaoming and Zhang Sutang]

[Text] Beijing, 5 Feb (XINHUA) -- Hao Jianxiu, member of the Secretariat of the CPC Central Committee, today called on China's middle-aged and young literary and art workers to conscientiously study Marxist-Leninist literary and art theories, delve deep into the realities of life, actively participate in the development of the four modernizations program, and strive to create more and better literary and art works in the new year, reflecting the spirit of our age.

The CYL Central Committee and the All-China Youth Federation today invited more than 20 middle-aged and young literary and art workers to attend a discussion meeting. Fan Zeng, Shi Guangnan, Jiang Dawi, Qu Xianhe, Fang Shu, Chen Zufen, Zhang Changzhi, and Zhu Chunyu delivered speeches at the meeting. They expressed their determination to contribute to developing China's cause in literature and art.

Hao Jianxiu praised literary and art workers for their achievements in developing literature and art in recent years. She said: Literary and art workers, particularly middle-aged and young ones, must clearly define three types of responsibilities: The first is political responsibility. We must use artistic forms to instill communist ideas into people's minds, arouse them to forge ahead, go all out to make the country strong, and develop the four modernizations program. The second is social responsibility. We must adopt a serious attitude toward literary and art works and influence society and people with our lofty spirit. The third is educational responsibility. We must use healthy literary and art works and performances to help young people foster a correct world outlook, raise their aesthetic interests, and cultivate new people of socialism. She hoped that the middle-aged and young literary and art workers will live up to the expectations of the party and the people.

Also attending the discussion meeting were Song Defu, first secretary of the CYL Central Committee; and Liu Yandong, member of the CYL Central Committee and chairman of the All-China Youth Federation.

BAINQEN ERDINI WISHES HAPPY NEW YEAR TO XIZANG

OW061854 Beijing XINHUA in English 1844 GMT 6 Feb 86

[Text] Beijing, February 6 (XINHUA) -- Bainqen Erdini Qoigyi Gyanincain, vice chairman of the National People's Congress Standing Committee, today expressed his best wishes to Tibetans in China and abroad for the Tibetan new year. He addressed more than 1,000 Tibetans studying or working here, at a gathering in the Central Institute for Nationalities. The Bainqen Lama said that local authorities in the Tibet Autonomous Region were resolutely carrying out central government policies. He called on the students to study hard so that they could make positive contributions to the construction of Tibet.

Ngapoi Ngawang Jigme, also vice-chairman of the National People's Congress Standing Committee, also spoke at today's gathering. The Tibetan new year falls on Sunday, the same day as the traditional Chinese new year.

LI PENG INSPECTS WUXI MICROELECTRONICS COMPANY

OW030329 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Text] Deciding that Wuxi should be built into a microelectronics industrial base during the Seventh 5-Year Plan period, the state has approved the expanded construction of the Wuxi Microelectronics Research and Production Company, according to XINHUA RIBAO.

Li Peng, member of the CPC Central Committee's Political Bureau and vice premier of the State Council, recently inspected the company and urged its cadres, workers, scientists, and technicians to blaze a new path for developing China's electronics industry in order to contribute to gradually manufacturing a electronic parts and components of our own.

Formed by the Jiangnan Radio Equipment Plant and the Wuxi Microelectronics Research Center of the Ministry of Electronics Industry, the company was inaugurated in June last year. Following the current expansion, the company will adhere to the state-stipulated principle of digesting and developing imported technologies and then creating our own and, with the semiconductor plants of the company and in the province and the related colleges and institutes as the main body, organize scientific research, trial manufacture, production, and education units. At the same time, capitalizing on the rather strong electronics and accessory industries in Jiangsu Province and Wuxi City, the company will organize coordination and cooperation of different types at different levels to conduct research into and develop new, large and ultralarge integrated circuits. It is anticipated that the company will manufacture one group of new products of a certain circuit each year for use in production and daily life, with their output, rate of finished product, and reliability reaching the international advanced level.

OVERHAUL OF FOREIGN TRADE COMPANIES VIEWED

HK060101 Beijing GUOJI SHANGBAO in Chinese No 81, 16 Jan 86 p 2

[Report: "Ministry of Foreign Economic Relations and Trade Decides To Further Overhaul and Rectify All Kinds of Foreign Trade Companies"]

[Text] Our writer reports from relevant sources that in order to carry out the spirit and requirement of the State Council's "notice on further overhauling and rectifying companies." The Ministry of Foreign Economic Relations and Trade has decided to improve and rectify all kinds of foreign trade companies in China.

The following are the main points of ministry's notice on further overhauling and rectifying all kinds of foreign trade companies:

A. The Scope of the Overhaul and Rectification

The target of the overhaul and rectification is the various foreign trade companies established before the end of 1985, including all the general import and export companies of various specialities under the Ministry of Foreign Economic Relations and Trade, branch import and export companies in various provinces, autonomous regions, and municipalities directly under the central government; local trade companies in various provinces, autonomous regions, municipalities directly under the central government and cities instituting separate listing in the state plans; trade companies in Guangdong and Fujian Provinces and in Shenzhen, Shantou, Zhuhai, and Xiamen Special Economic Zones; foreign economic and technological trade companies in 14 coastal open cities; and productive enterprises or enterprise combines directly engaged in foreign economic relations and trade. The enterprises which have already been overhauled and rectified should be further overhauled and rectified if necessary.

B. Contents and Requirements for Overhaul and Rectification

1. All the trade companies must economically separate themselves from the party and government organs according to the relevant document of the State Council on separating the functions of the government from those of the enterprises, implement independent business accounting systems and independent management systems, and be responsible for their own profits and losses. The party and government cadres can either work for the trade companies or work for the party and government institutions, but cannot work for both of them at the same time. This means that if they want to work for the trade companies, they must resign from their party or government posts.

2. All kinds of trade companies must do business on a scale approved by the state. Except for companies approved to conduct import trade, all foreign trade companies must fulfill the foreign exchange earning quota set by the state. Newly-established trade companies must have an export volume of $5 million after 3 years of foreign trade. Those trade companies which only import and only spend foreign exchange but cannot earn foreign exchange for the state or cannot fulfill the foreign exchange earning quota set by the state, those companies which do not have a stable source of goods, or "briefcase companies" which vie with one another for a source of goods, must be overhauled and rectified. The range of business of some of these companies should be readjusted, while some of them should be merged and some should be cancelled.

We must organize a force to examine the facts and strictly punish or cancel according to the law and relevant regulations those trading companies engaged in illegal operations, such as illegally buying up essential production means and commodities badly needed on the market, engaging in reselling commodities at a profit, in speculation, profiteering and swindling, illegally reselling foreign exchange at a profit, and forcing prices up, as well as availing themselves of loopholes in the reform of the economic structure.

3. The establishment of all foreign trade companies must be officially approved by the Ministry of Foreign Economic Relations and Trade or by the foreign economic relations and trade department (or commission, or bureau) of the relevant province, autonomous region, municipality directly under the central government and city instituting separate listing in the state plans. These trade companies must have clear rules and regulations, business scopes as well as catalogues of the goods to be imported and exported, and must register with relevant industrial and commercial administrative departments by presenting an official document of approval.

The import and export trade companies whose operations have not been approved by the above mentioned state organs must be strictly dealt with and even cancelled. According to the present regulations, companies below the provincial level are not allowed to conduct import and export trade. Companies engaged in international financial business, international contracting business, and consultative services are not allowed to import and export. Generally speaking, local companies are not allowed to establish their general companies, and are not allowed to establish branch companies in other provinces and cities, either, but are allowed to establish offices in other provinces and cities to deal with the relevant business contacts. However, they should not be allowed to carry out foreign trade. The productive enterprises and enterprise combines directly engaged in foreign trade can only engage in import and export trade on their own or with their affiliated productive enterprises, but cannot act as agents charging commissions to other units.

4. The companies established in the economic development zones in the 14 coastal open cities can only serve the construction of the economic development zones, export the products of the open cities and import the products needed by the open cities, but cannot carry out foreign trade for other areas.

5. All kinds of foreign trade companies must have funds which conform with their business scope (including registered funds and self-owned funds), facilities and staff. They must have clearly-defined authorities and subordinates, complete financial systems, organizational institutions, and leading bodies.

6. At present, only the state enterprises can carry out foreign trade. Collective enterprises and individuals are not allowed to engage in foreign trade.

After overhaul and rectification, we should totally rationalize the structure of the enterprises and clearly define the division of labor, which will be beneficial to the increase of the economic results and the implementation of the various state policies concerning our country's foreign economic relations and trade. All kinds of foreign trade companies must meet the following requirements:

1. When separating the functions of the government from those of the enterprises, all kinds of foreign trade companies must become economic entities which have independent business accounting systems and self-management systems and are responsible for their own profits and losses.

2. Foreign trade companies must conscientiously carry out the state's general and specific policies, observe the state's laws, rules and regulations, and do business strictly according to the business outlines approved by the relevant authorities. The import and export companies must have stable sources of goods which can find a good market and reliable import channels. Companies engaged in economic and technological trade or consultative services must be equipped with a professional staff and adopt necessary work measures.

3. Foreign trade companies must fulfill the various state plans for foreign trade. All foreign trade companies must be subordinate to the unified administration of the Ministry of Foreign Economic Relations and Trade and the foreign economic relations and trade department (commission or bureau) of the relevant province, city and autonomous region, and according to the relevant regulations, submit business reports and documents concerned to the departments responsible for the work of foreign economic relations and trade at various levels.

4. After the overhaul and rectification, the responsible departments should strengthen their guidance and assistance to the foreign trade companies under their control. The separation of the functions of the government from those of enterprises does not mean that the administrative departments will not administer the enterprises. On the contrary, the administrative departments should strengthen their leadership and administration. If the enterprises make mistakes in their operations or carry out illegal operations, the administrative departments should be held responsible for that.

C. Methods of Overhaul and Rectification

The method of "respective responsibilities, and respective examinations and approvals" will be adopted in their overhaul and rectification.

1. All foreign trade general companies should make their own plans of overhaul and rectification, and then submit them to the Ministry of Foreign Economic Relations and Trade for examination and approval;

2. Foreign trade companies under the various ministries and committees of the State Council will be overhauled and rectified by their own responsible departments. Their plans for overhaul and rectification should be submitted according to their respective specialities to the relevant departments of the Ministry of Foreign Economic Relations and Trade for examination and approval;

3. The branch companies under the Ministry of Foreign Economic Relations and Trade and the branch companies of the various ministries and committees of the State Council in various provinces, autonomous regions, municipalities directly under the central government and cities instituting separate listing in the state plans, will be overhauled and rectified under the leadership of their respective general companies. The respective general companies should submit their plans for overhaul and rectification to the relevant local foreign economic relations and trade department (commission or bureau) for examination and approval, and then report to the Ministry of Foreign Economic Relations and Trade for the record;

4. The local foreign trade companies in various provinces, autonomous regions, municipalities directly under the central government and cities instituting separate listing in the state plans will be overhauled and rectified by local administrative departments responsible for foreign economic relations and trade. The overhaul and rectification plan made by the local administrative department should be submitted to the Ministry of Foreign Economic Relations and Trade for Examination and approval. If local foreign trade companies which have already been overhauled and rectified need to be further overhauled and rectified, this method can also be applied;

5. Foreign trade companies in Guangdong and Fujian Provinces will be overhauled and rectified under the leadership of the departments responsible for foreign trade in both provinces according to the above method. After the overhaul and rectification, these foreign trade companies should report the situation tc the Ministry of Foreign Economic Relations and Trade for the record;

6. Overhauling and rectifying the foreign trade companies in Shenzhen, Shantou, Zhuhai, and Xiamen Special Economic Zones and in Hainan Special Administrative Region will be the responsibility of the economic and trade administrative departments in those areas. Their plans for overhaul and rectification should be submitted to the provincial economic and trade department for examination and approval, and then submitted to the Ministry of Foreign Economic Relations and Trade for the record.

7. Overhauling and rectifying the economic, technological, and trade companies in 14 coastal open cities will be the responsibility of the responsible departments of the local people's governments in those areas, which will, after the overhaul and rectification, report the situation to the economic relations and trade department (commission or bureau) of the relevant provinces, autonomous regions, and municipalities directly under the central government for examination and approval, and to the Ministry of Foreign Economic Relations and Trade for the record;

All kinds of foreign trade companies must also submit the following documents:

1. The document issued by the higher authorities to approve the establishment of the company;

2. The business license issued by the industrial and commercial administrative department;

3. The company's rules and regulations and business scope foreign trade companies must also submit catalogues of imported and exported goods;

4. The certificate of funds (including registered funds and actual funds) issued either by the bank with which the company has opened its account or by the responsible financial department of the higher authorities;

5. The company's legal address, telephone and telex numbers, its number of employees, and the names and education backgrounds of the leading cadres of the company;

6. A report on the business scope and operation of the company dating back from the time the company was established.

In the overhaul and rectification, all responsible units and departments in charge of the examination and approval must conscientiously do this work. If there are serious consequences because of their carelessness in the work, they will be responsible both legally and economically.

The names of the companies which have been examined and approved will be published in GUOJI SHANGBAO; the companies which have not been examined and approved are banned from carrying out foreign trade, and the customs areas and banks must refuse to let these companies go through formalities.

D. Time Limits for Overhaul and Rectification

From the day this notice is received, all the responsible departments must immediately organize a force to carry out the investigations and examinations of the foreign trade companies administered by them and put forward suggestions on overhauling and rectifying these companies to the Ministry of Foreign Economic Relations and Trade. This work must be finished within 3 months. As soon as the Ministry of Foreign Economic Relations and Trade receives the reports, it will carefully discuss and examine them with the responsible departments. The time for the discussion and examination will not exceed 3 months. Overall overhaul and rectification will most probably be finished by the end of the 3d quarter of 1986.

This time, overhaul and rectification will deal with many things. The situation is complicated. We must strictly carry out the relevant state policies in accomplishing this arduous task. All the departments and localities must strengthen their leadership over this work, set up a special department to take charge of this work, and cooperate with the industrial and commercial administrative departments, customs areas and banks in this matter.

GUANGMING RIBAO ON THEORIES OF ECONOMIC LEVERS

HK030035 Beijing GUANGMING RIBAO in Chinese 18 Jan 86 p 3

[Article by Bai Shui and Yu Zhongyi: "Make Use of Economic Levers, Strengthen Macrocontrol: Roundup on the First National Symposium on the Theory of Economic Levers"]

[Text] The first national symposium on the theory of economic levers was held in Leshan City, Sichuan Province, last November. The symposium discussed certain problems in the theory and application of economic levers. Now let us summarize the main problems and views discussed at the symposium.

I. The Concept of Economic Levers

The views on the concept of economic levers can be summed up as follows:

The first view held that economic levers are methods socialist countries use to regulate economic relationships between immediate and long-term interests and between partial and overall interests. They include legal, administrative, educational and economic methods.

The second view held that economic levers refer to economic methods people use to guide social life to a fixed target by observing the law governing material benefit and by means of material inducement. Economic levers consist of the following four factors: 1) The main body, which is composed of the state, enterprises, and institutions; 2) the object to be regulated by economic levers, that is, social reproduction; 3) the driving force, that is, material inducement, which is the nucleus and soul of economic levers; and 4) the purpose, which is to guide microeconomic activities with macroeconomic plans.

The third view held that economic levers make an impact on people's interests through the distribution of social products and national revenue and therefore indirectly regulate the social economy. Participants with this view maintained that only the method of distribution could be taken as an economic lever. More accurately, only the method of distribution that affects partial and individual interests through its regulation of the social economy can be referred to as an economic lever.

The fourth view held that the concept of economic levers can be interpreted as the ratio between dependent variability and independent variability. In other words, economic levers display their regulatory role by changing the numerical value of their independent variability so as to affect their dependent variability. People's frequent reference to taxation, price, and credit levers is only a way of saying things accepted through common practice; strictly speaking, this is not scientific.

II. The Functions and Role of Economic Levers

The participants had the following views with regard to the functions and role of economic levers:

Some participants remarked that economic levers have only one function, that is, a regulatory function regulating the relationship between different economic forms, economic activities in the key links of social reproduction, and the distribution and redistribution of national revenue.

Others maintained that economic levers have various functions, five of which can be listed as follows: 1) distributing and redistributing national revenue; 2) encouraging production and operational units to improve management, save natural and labor resources, and achieve better economic results; 3) regulating both the microeconomy and the macroeconomy; 4) controlling major economic activities within the scope of coordinated national economic development; and 5) obtaining reliable economic information for economic forecast, policymaking, and the formulation of plans.

Still others held that economic levers have an "incentive" function according to the law governing material benefit.

III. The Conditions for Applying Economic Levers Well

Some participants were of the opinion that the following four conditions are necessary for applying economic levers well: 1) It is necessary to understand the necessity for the existence and development of economic levers in the present stage and that economic levers have different roles and characteristics as compared with other economic regulatory methods; 2) it is necessary to thoroughly smash the two "big pots" in terms of economic management, in order to change the situation in which enterprises only care about making profit but are not responsible for their losses; 3) it is necessary to work out a correct medium- and long-term plan for national economic development so as to set an explicit target for the application of economic levers; and 4) it is necessary to perfect the information network and the information feedback system.

Other participants held that the prerequisite for bringing the role of economic levers into play is to establish and perfect various types of economic regulatory systems, which include a flexible price regulatory system, a credit regulatory system beneficial to macroeconomic management, a taxation regulatory system, and an export policy suited to opening up to the world and invigorating the domestic economy.

Still others said that to bring into play the positive role of economic levers, it is necessary to set up a perfect authoritative organ in charge of the application of economic levers and to form an economic legal system

The participants remarked that to bring into play the positive role of economic levers in macroeconomic management, it is necessary to observe the following principles:

1. The principle of comprehensive application. There are many types of economic levers, and they are related to each other and restrict each other. Therefore, it is necessary to persist in the principle of comprehensive application of economic levers.

2. The principle of applying economic levers with a fixed purpose in mind. The purpose of applying economic levers in our country is to enable the national economy to develop in proportion and coordination.

3. The principle of applying economic levers in a selective way. In the same economic activity, different economic levers are sometimes used for the same purpose. In such cases, it is necessary to select good economic levers.

4. The principle of applying economic levers according to different economic spheres. Not only do economic levers have different objects to regulate, but they also have different spheres to display their regulatory role. Therefore, it is necessary to observe the principle of applying economic levers according to different economic spheres. For example, some economic levers are used to regulate the first stratum -- the macroeconomy, and others are used to regulate the second stratum -- the microeconomy.

Some participants maintained that economic levers should be classified into two types to facilitate their use. The first type is classifying economic levers into four sectors such as prices, financial taxation, loans and interest, and wages and bonuses. This classification is beneficial to the comprehensive application of economic levers. The second type is classifying economic levers according to their functions and the objects directly regulated in the distribution of national revenue. To make this more specific, we can list several systems (categories) as follows: The profit regulatory system, which involves prices and sales tax; the profit-retention regulatory system, which involves income tax, regulatory tax, and interest; the investment regulatory system, which involves finance, credit, depreciation, and taxation; and the consumption regulatory system, which involves wages, bonuses, taxation, and interest. This classification is good for both the division and coordination of economic levers.

LI XIANNIAN URGES CARE FOR OLD, SUPPORT FOR YOUNG

HK050955 Beijing RENMIN RIBAO in Chinese 26 Jan 86 p 4

[Article by Li Xiannian, originally carried by ZHONGGUO LAONIAN [CHINA'S ELDERLY] No 1, 1986: "Support the Young People, Show Concern for the Old Comrades and Take Care of the Old People"]

[Text] The spring of 1986 has arrived. At the invitation of the editorial department of the magazine ZHONGGUO LAONIAN, I hereby wish to say Happy New Year and extend my best regards to all the old cadres, workers, peasants and intellectuals of our country as well as to all elderly Overseas Chinese living abroad.

Since the 3d Plenary Session of the 11th CPC Central Committee, the political stability and unity of our country has become stronger and stronger. To cement unity, it is very important to render support to the young cadres in their work. In the course of readjusting leading bodies at various levels, some old comrades have withdrawn from the "frontline" and a large number of young people have been promoted to leading bodies at various levels. This is necessary for the development of our party's cause. In terms of the young cadres, they are actually not too young, they are generally in their 40's or 50's. Some of them have worked for decades and some for more than 10 years. The old comrades who remain in working posts or who have vacated their "frontline" leading posts should all bestow warm and sincere support upon these young people so that they can make decisions on problems without hesitation, work on their own initiative and give full play to their creativeness. In particular the old comrades who remain in working posts should make things convenient for the young cadres and must not create difficulties for them, and should give them real support, not false support.

When the old comrades retire from their leading posts, this does not mean that they have come to the end of their career for the realization of communism. There is no such thing as retirement when it comes to fighting for communism. The old comrades should still act as advisers in finding out about the situation, identifying and tackling problems, suggesting ways and means for improving work, passing on experience, and drawing historical lessons. We must especially explain to the young the setbacks we met with so that they will not make the mistakes we made and particularly will not make serious mistakes under the new situation. This is also a way of supporting newly-promoted cadres.

Newly-appointed cadres must be given time to become acquainted with their work. When they are confornted with difficulties or when they make mistakes, it is imperative for the old comrades to show them loving care and give them support. Dare the old comrades say that they have not made any mistakes? Regardless of the seriousness and nature of the mistakes they made, they must conscientously draw lessons from these mistakes and help young people to make fewer mistakes or less serious mistakes.

Respecting the old and the worthy is a traditional virtue of our nation and party. Leading comrades and organizations at various levels should show concern for the retired old comrades. Particularly in the old revolutionary bases, the majority of the old revolutionary bases, the majority of the old cadres have retired. They have made no small contribution to the revolution and socialist construction, but many of them are suffering from diseases and deformity. Meanwhile, in the vast rural areas and numerous factories, there are hundreds of thousands of retired workers and staff members and millions of old men who have also rendered service to the revolution. According to relevant regulations adopted by the central authorities, we must take good care of them show concern for them, and help them contribute their remaining vigor to the four modernizations. We must ensure that they enjoy a peaceful old age.

It is my hope that the magazine ZHONGGUO LAONIAN will become more popular among the old and provide them with more and better nourishment for the mind.

FORMER AMBASSADOR APPOINTED AMITY GROUP HEAD

OW031628 Beijing XINHUA in English 1622 GMT 3 Feb 86

[Text] Beijing, February 3 (XINHUA) -- Former Chinese Ambassador and Vice Foreign Minister Zhang Wenjin has been appointed president of the Chinese People's Association for Friendship With Foreign Countries. Former President of the association Wang Bingnan has become adviser to the association, and Ling Qing, former Chinese permanent representative to the United Nations, its vice-president.

In an interview with XINHUA here today Zhang, 71, said: "I was a government official for more than 30 years. It is my great honor to serve as president, and will work for the development of people-to-people diplomacy. I will do my best to strengthen friendship and mutual understanding between the Chinese people and people from all over the world."

Zhang pointed out that the association had a fine reputation. Soong Ching Ling, the late honorary president of the country, had been honorary president of the association. And Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, was now its honorary president. Zhang said the association would arrange many activities for International Peace Year this year.

The association would also continue to strengthen its ties with friendship organizations of various countries, and to play host to more foreign friends.

Zhang was ambassador to Pakistan, Canada and the United States.

FOREIGN FIRMS OPEN MORE REPRESENTATIVE OFFICES

OW061715 Beijing XINHUA in English 1514 GMT 6 Feb 86

[Text] Beijing, February 6 (XINHUA) -- More than 520 enterpises from 34 countries and regions set up representative offices in China last year, according to the State Administration for Industry and Commerce. This brought the total number of representative offices in the country to 1,446.

An administration official said enterprises owned by foreigners, Overseas Chinese and compatriots in Hong Kong and Macao had been eager to set up resident offices in China since the country started pursuing its open policy seven years ago. This enabled them to increase their contacts with Chinese counterparts. The past two years had seen a big increase in the trend. More than 900 offices had been set up during the period.

According to the China Enterprise Registration Yearbook, compiled and published by the administration, Japanese companies set up the most resident offices (360), followed by Hong Kong and Macao firms (230) and United States enterprises (120). The official said the number of resident offices set up by the United States and West European countries had grown quickly over the past two years.

Representative organizations were spread across the country. Beijing housed 537, Guangzhou 140, Shanghai 120 and Shenzhen 47. Others were based mainly in coastal cities, such as Tianjin, Dalian, Qingdao and Xiamen. Some foreign enterprises had also set up representative offices in inland cities, such as Chengdu in Sichuan Province, Lanzhou in Gansu Province and Harbin in Heilongjiang Province.

Up to the end of last year, more than 2,300 Sino-foreign equity joint ventures, over 3,700 contractual joint ventures and 120 wholly-foreign enterprises had been set up throughout the country, according to the Ministry of Foreign Economic Relations and Trade.

FUJIAN CPC CIRCULAR ON RURAL PARTY RECTIFICATION

OW051255 Fuzhou FUJIAN RIBAO in Chinese 26 Jan 86 pp 1,2

[Excerpts] The Fujian Provincial CPC Committee on 20 January issued an "Opinion on How To Implement the 'Circular' of the Central Commission for Guiding Party Rectification and Seriously Do Good Party Rectification Work in Townships and Towns," and thus made arrangements for rural party rectification.

The provincial party committee decided that party rectification would be carried out in townships and towns (including their party and government leading bodies and organs, enterprises and institutions directly under them, and county organizations there) from the beginning of this year until summer harvest. Village party organizations will be rectified after the summer harvest. Because most of the members of township and town party organizations are either state cadres or workers in state enterprises, higher demands are set for township and town party rectification then for village party rectification during rural party rectification.

1. Fully understand the importance of successful party rectification in townships and towns.

2. Seriously implement the four demands set by the Central Commission for Guiding Party Rectification for rural party rectification work, and create a new situation in township and town work.

In the course of rectification, township and town party organizations should perform the four tasks -- achieving ideological unity, rectifying party style, strengthening discipline, and purifying party organizations -- put forward in the party Central Committee's decision on party rectification; and strive to meet the four demands set by the Central Commission for Guiding Party Rectification -- namely, to strive to heighten party members' understanding of the party's fundamental purpose, to make further efforts to correctly understand the party's policies concerning rural reforms and economic development, to deal seriously with the small number of party members who have committed severe mistakes, and to ensure success in building leading bodies.

In the course of carrying out education in the party's fundamental purpose, it is particularly necessary to pay attention to solving such problems as some party members and cadres with party membership being reluctant to work in rural areas, poor in work style, and divorced from the masses, and some taking advantage of membership of the ruling party to seek special privileges and private interests in violation of those of the masses.

In the course of carrying out education in the party's existing policies, it is necessary to attach importance to solving such problems as some party members, especially cadres with party membership, having confused ideas and misgivings about the party's policy of making the people well-to-do and building a new, socialist countryside with Chinese characteristics, not daring to go all out to lead the masses in becoming well-off by working hard, and lacking a pioneering spirit, being content with things as they are, and being in a state of inertia.

In the course of building leading bodies, it is necessary to seriously solve such problems as some grass-roots leading bodies creating disunity and violating democratic centralism. It is necessary to correct weak, lax, or even paralyzed leading bodies not daring to handle problems.

3. The methods, steps and timetable for township and town party rectification.

Generally speaking, a township or town should rectify party organizations in one group at a time. A township or town in a special situation may rectify party organizations in various groups.

Each group should complete party rectification in approximately 3 or 4 months. Party organizations with comparatively more problems or in a comparatively more complex situation may be appropriately given more time.

4. Firmly strengthen leadership over township and town party rectification work.

In township and town party rectification, it is essential to adhere to the principle of solving problems without creating chaos," pay attention to conducting investigation and study, resolutely implement the party's rural policies, and ensure sound development in party rectification work. It is necessary to draw a lesson from the leftist practices, which were repeatedly carried out in rural areas in the past. It is necessary to ensure the "four don'ts" -- namely, do not obtain confessions by force and give them credence, do not hold public criticism meetings, do not exaggerate other's mistakes, and do not overextend the scope of attack.

Township and town party rectification work must adhere to the principle of promoting and ensuring reform and economic development. Party rectification work must be comprehensively and scientifically arranged in conjunction with rural reforms. It should be conducive to further development of rural reforms, further enhancement of rural productive forces, further invigoration of rural economy, and to bringing further into play the enthusiasm of rural cadres and peasants for production, so that it will truly promote reform and further enhance the excellent situation in rural areas.

FUJIAN ISSUES EMERGENCY CIRCULAR ON LAND MISUSE

OW051155 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 4 Feb 86

[Text] The provincial Discipline Inspection Commission recently issued an emergency circular calling on party organizations at all levels in the province to sternly investigate and deal with those cadres who are party members and who build houses on arable land without authorization.

The circular pointed out: The problem of misuse of arable land in Fujian is very serious. The area of arable land decreases by 111,600 mu annually on the average. If we do not take any measure to solve this problem, we are committing a crime against the people.

The 17th session of the Standing Committee of the 6th provincial People's Congress conducted a special study on strengthening the management of cultivated land, calling on leaders at all levels to earnestly investigate and deal with cases of misuse of cultivated land, and to improve local regulations on land management as soon as possible. Members of party committees and discipline inspection commissions at all levels should pay close attention to implementing the relevant regulations, supervise all the departments concerned to strengthen management, and stop the misuse of cultivated land and illegal land transactions while rectifying party style and improving social conduct. Leading cadres who illegally occupy land to build houses should be sternly investigated and dealt with. If cases of illegal occupation of cultivated land to build houses and of land transactions are not investigated, the leading cadres should be held accountable.

DAZHONG RIBAO ON IMPROVING OFFICE WORK STYLE

SK070752 Jinan DAZHONG RIBAO in Chinese 23 Jan 86 p 1

[Commentator's article: "Leading Cadres Should Set an Example for Others"]

[Text] The rectification of party style should proceed from the party organs. This is an important plan set forth by the CPC Central Committee for the work in 1986.

After the central meeting of office cadres, the provincial CPC Committee has issued a circular in a timely manner calling on the party organs at various levels and the broad masses of party members and cadres throughout the province to actually improve their office work style in line with the demands of the CPC Central Committee. During the past few days, the provincial-level organs have rapidly gone into action, and have conducted studies, investigations, and corrections simultaneously in order to set an example in rectifying party style and the social conduct at large. We can believe that the improvement in the office work style will certainly promote the fundamental improvements in party style and the social conduct at large, and will certainly bring about a strong impetus to reform and to the building of socialist spiritual and material civilizations.

Our party has a fine tradition, namely what is required of lower levels must first be done by higher levels; what is required of the masses must first be done by cadres; and what is required of the ordinary cadres must first be done by the leading cadres. In doing the routine work, we should proceed in this manner, and in rectifying party style and improving the office work style, we should all the more do like this. The matter concerning the office work style is, first of all, and the mental outlook, work attitude, and ideological style of office functionaries. If leading comrades take the lead in rectifying their ideological style, there will be a reliable condition and foundation for effecting an improvement in the office work style. There is an old saying: "If one teaches others by his own example, he will be followed by others, but if one teaches others by precepts, he will encounter disputes." Leading comrades at all levels should always bear this truth in mind, and remember that their examples will affect the lower levels and the masses. The leading comrades should fully understand the important significance of improving the office work style, actually place the improvement of the office work style on their agenda, and adopt effective measures to conscientiously solve the problems regarding the office work style. Meanwhile, while investigating the problems regarding the office work style, leading comrades should regard themselves as the targets of investigation, conscientiously check their own problems, and take the lead in correcting their mistakes. Only when the leaders first correct their own mistakes can they justly and forcefully investigate and correct the problems at lower levels. At present some organs face quite a few problems, but these organs act slowly and even remain indifferent to improving the office work style. Why? Except for the problems in ideology, an important reason is that some leading comrades themselves are not clean and honest enough, and have given others leverage against themselves. Therefore, such leading comrades cannot utter just and forceful words. So far as such leading comrades are concerned, they should lay down their loads and start up the machinery. Otherwise, with the loads on their minds, how can they support the right and suppress the evil, and judge what is right and what is wrong before others?

Leading comrades at various levels, the principal responsible comrades in particular, should delve into the grass-roots units to extensively solicit opinions from the masses at the grass-roots level and from the office cadres and party members so that they can discover the problems regarding the ideological style of their own units with the concerted efforts of higher and lower levels. They should also differentiate what is primary from what is secondary, and solve their problems one by one in the right order of seriousness. In particular, those units whose work is passive and arouses more complaints among the masses should do their work more pentratingly and meticulously, and should try their best to encourage the masses to give voice to all their feelings. By so doing, we will be able not only to promote the improvement of the office work style, but also improve the relationship between the higher and lower levels and strengthen the mutual understanding among the leaders, the masses, and the office workers. Thus far, in line with the arrangements of the provincial CPC Committee, most provincial-level organs have gone into action, have investigated their problems on the basis of studies, and have collected many opinions from various fields through various channels. All these opinions should be treated conscientiously and be sorted out expeditiously. The reasonable opinions must be accepted; with regard to the unreasonable ones, a sincere explanation should be given. Improving the office work style is a

It is only one side of the matter for the leaders to set examples in improving the office work style. All office functionaries should exert themselves in the work with a high degree of responsibility. They should also positively express their opinions, offer suggestions, consciously investigate their own problems in ideological style, and actually solve their problems. No one has reason to stay aloof from the work. We should all attend to our work with a new work style, attitude, and outlook. As long as the leaders are sincere, the masses are enthusiastic, and the higher and lower levels make concerted efforts with one heart and one mind, our office work style will certainly be improved in a short period of time and the work of the organs will certainly be strengthened further.

ZHEJIANG MEETING VIEWS PARTY RECTIFICATION WORK

OW031448 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 2 Feb 86

[Text] The Zhejiang Provincial CPC committee held a forum on party rectification work from 29 to 31 January to sum up and exchange experiences on party rectification at the village and town level. The meeting studied ways to correct unhealthy tendencies, tackle other problems involving violations of laws and discipline, and make arrangements for party members to make examinations and comparisons in the next phase.

After affirming the achievements of units at the village and town level in training party members and in correcting mistakes in the course of party rectification and after summing up and exchanging experiences in party rectification work, the forum emphatically pointed out that examinations and comparisons by party members constituted a very important phase of party rectification at the village and town level. Whether party members have strengthened their sense of party spirit and improved their party work style must be clearly noticeable at this phase. Therefore, party committees at all levels -- especially county party committees -- must conduct ideological education among party members in order to make them understand the tremendous importance of improving party work style, of becoming a qualified party member, and of strictly observing party requirements. Next, examinations and comparisons should emphasize enhancing revolutionary spirit, improving party work style, working in the interest of the public, and promoting unity within the party. Third, it is necessary to strictly adhere to policy and carry out rectification and correction measures. Fourth, to achieve success in examinations and comparisons by party members, it is imperative to use the method of criticism and self-criticism, not to evade contradictions, and not to cover up mistakes.

The forum noted: To do a good job in party rectification at this phase, leaders at all levels should regard it as a means of improving work style and ideological and organizational work at basic-level units. At the same time, it is necessary to link party rectification with reforms and economic work and to use party rectification to ensure success in reforms and promote the building of the two civilizations. In party rectification attention should be paid to quality. Party rectification should not become a mere formality by being rushed through.

Attending the forum were responsible persons of the various prefectural and city party rectification offices, prefectural and city discipline inspection commissions and some county party committees.

GUANGDONG'S LIN RUO ATTENDS FUNERAL IN GUANGZHOU

HK031051 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 29 Jan 86

[Excerpts] The ceremony to pay last respects to the remains of Comrade (An Ming), member of the Advisory Commission of the Guangdong Provincial CPC Committee, was held in the Guangzhou funeral polar. Comrade (An Ming) became sick, failed to respond to medical treatment, and died in Guangzhou on 21 January 1986, at the age of 80.

The Central Discipline Inspection Commission, CPPCC National Committee, Guangdong Provincial CPC Committee, provincial Advisory Commission, provincial People's Congress, provincial government, provincial CPPCC Committee, provincial Discipline Inspection Commission, Guangzhou Military Region, Guangdong Military District, and Henan Provincial CPC Committee sent wreaths. Leading comrades of the central authorities, including Comrades Zhao Ziyang, Xi Zhongxun, Yang Shangkun, Song Renqiong, Wang Heshou, Wei Guoqing, Ye Jianying, Wang Congwu, and Ma Guorui; responsible comrades of provincial and city departments concerned; and (An Ming's) friends also sent wreaths.

Attending the ceremony to pay last respects to Comrade (An Ming's) remains were Lin Ruo, secretary of the Guangdong Provincial CPC Committee; Ye Xuanping, governor; Xie Fei, Wang Ning, and Guo Rongchang, deputy secretaries of the provincial CPC Committee; Liang Lingguang, chairman of the provincial Advisory Commission; Lou Tian, chairman of the provincial People's Congress Standing Committee; Wu Nansheng, chairman of the provincial CPPCC Committee; some veteran comrades; organ cadres; and Comrade (An Ming's) friends, totaling some 500 people.

FORMER GUANGXI VICE CHAIRMAN REHABILITATED

HK031012 Beijing RENMIN RIBAO in Chinese 27 Jan 86 p 4

[Report: "Guangxi Regional Party Committee Redresses Unjust Verdict on Li Renren, Former Vice Chairman of the Regional People's Government"]

[Text] The Guangxi Zhuang Autonomous Regional CPC Committee recently decided to officially rehabilitate Li Renren, former Standing Committee member of the KMT Revolutionary Committee Central Committee, former Standing Committee member of the Guangxi Regional KMT Revolutionary Committee, and former vice chairman of the Guangxi Zhuang Autonomous Regional People's Committee.

Li Renren joined Tong Meng Hui when he was young and supported the "three cardinal policies" advanced by Dr Sun Yat-sen. In 1927 after the "April 12th Incident," he rose in opposition to Chiang Kai-shek, who betrayed the revolution. During the period of the second cooperation between the KMT and the CPC, he supported the CPC's policy on the anti-Japanese national united front. After the "southern Anhui incident" in 1941, he shielded CPC members and progressive patriotic personages and helped them to retreat safely. After the victory in the anti-Japanese war, he, together with Chen Shaoxian and others, initiated the establishment of the "Chinese KMT Association for Promoting Democracy" in Guilin, advocating the introduction of democratic reform and opposing the civil war. When the Chinese KMT Revolutionary Committee was founded in Hong Kong in January 1948, he was elected a Central Committee member. After the foundating of the PRC, Li Renren was elected a member of the CPPCC National Committee, a deputy to the First, Second, and Third NPC, a member of the Central Political and Legal Committee, a vice chairman of the Central Overseas Chinese Affairs Committee, a vice chairman of the Guangxi Provincial People's Government, a vice chairman of the Guangxi Zhuang Autonomous Regional People's Committee, and so on; and he made valuable contributions to the reconstruction of the country. However, during the "Great Cultural Revolution," Li Renren was cruelly persecuted, vilified as an "arch villain of the reactionary Guangxi faction" and "evil elements of the KMT." He passed away in August 1968 when his house was flooded.

The Guangxi Zhuang Autonomous Regional CPC Committee is taking action to totally reverse the unjust verdict against Li Renren, fully rehabilitate him, and negate all slander and untrue accusations against him. At the same time, all unjust verdicts against all his family, relatives, friends, and other people who were involved in his case are also going to be reversed.

GUANGXI BANK PUNISHED FOR LOAN GRANTING MALPRACTICE

HK050845 Nanning Guangxi Regional Service in Mandarin 1100 GMT 31 Jan 86

[Excerpts] According to GUANGXI RIBAO, in the course of party rectification and correcting new malpractices, the Nanning central branch of the Construction Bank failed to execute prohibitions, sought private interest in granting loans, and arbitrarily issued money and material objects. Due to the above mentioned serious mistakes, the bank has been investigated and punished.

The regional Discipline Inspection Commission issued a notice to the region on this matter, demanding that party organizations and party-member cadres at all levels in the region draw a bitter lesson from it, and resolutely curb the unhealthy tendency of failing to enforce orders and prohibitions.

The central branch set up the Nanning Investment and Trade Consultation Service Company in January 1985, and changed the name to the Nanning Investment Consultation Service Company in March 1985. (Li Guoxiao), CPC group secretary and head of the central branch, assumed the post of managing director of the company. (Zhou Daji), CPC group member and deputy head of the central branch, assumed the post of manager of the company. By taking advantage of their power in granting loans, they violated state financial regulations and transferred 15.31 million yuan of interest-free or low-interest state funds to the company's account and then lent the money to others for profit, during the period January to September 1985. By using such methods as arbitrarily raising interest rates, charging clients a penalty interest, and engaging in joint operations with others to share profits, they, in the name of the company, illegally granted 113 loans totalling 22.69 million yuan to industrial and commercial enterprises and individual operators.

Worse, after the central Discipline Inspection Commission issued Document No 7 of 1985 on correcting new malpractices, and the General Office of the State Construction Bank issued the circular on stopping the granting of loans and recovering various unreasonable loans in violation of policies, the Nanning central branch continued to grant 13.28 million yuan of loans and arbitrarily issued money and materials totalling 46,326 yuan to its staff and workers. By early December 1985, 6.01 million yuan of loans had not yet been recovered.

The Nanning central branch of the Construction Bank engaged in new malpractices in the course of correcting party style. (Li Guoxiao), head of the central branch, should bear the main responsibility and (Zhou Daji), deputy head of the central branch, should bear direct responsibility for the mistakes. In order to enforce party discipline and correct party style, the Nanning City Discipline Inspection Commission decided, with the approval of the city CPC committee, to remove (Li Guoxiao) from the post of CPC group secretary of the central branch and suggested that he be removed from the post of head of the central branch. It also decided to give a serious inner-party disciplinary warning to (Zhou Daji) and instructed the central branch to take effective measures to recover all loans and submit all wantonly issued money and material objects to the state treasury.

GUANGXI'S CHEN HUIGUANG VISITS TEACHERS

HK050819 Nanning Guangxi Regional Service in Mandarin 1100 GMT 30 Jan 86

[Excerpt] On 29 January, Chen Huiguang, secretary of the regional CPC Committee, and Wei Chunshu, chairman of the regional people's government, visited professors, teachers and retired veteran cadres at Guangxi Teachers' University and Guilin Center for Retired Cadres. On behalf of the regional CPC Committee and the regional people's government, they wished them a happy Spring Festival.

At the teachers' university, Comrades Chen Huiguang and Wei Chunshu praised achievements made by the professors and teachers in the areas of training qualified personnel. They were shown the achievements made, and the problems and difficulties faced, by various fronts in 1985.

At the center for retired cadres, Comrades Chen Huiguang and Wei Chunshu visited retired veteran cadres and expressed season's greetings to them. They also conveyed the State Council leaders' instructions on, and concern about, the project of building Guilin into a tourist city. They hoped that the veteran cadres would take care of themselves, and offer suggestions on the region and Guilin's building of the two civilizations. They also wished them good health and longevity.

HUBEI'S GUAN GUANGFU PRAISES HONGHU EXPERIENCE

HK031509 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 30 Jan 86

[Excerpts] On the morning of 25 January, Guan Guangfu, secretary of the provincial CPC Committee, went to (Hongning) Village, (Shimatou) District, Honghu County, to conduct investigation. (Ye Changbao), secretary of the village party general branch, made a report to Comrade Guan Guangfu on the gratifying achievements in building two civilizations which they had scored last year.

On the basis of an increase by 16 times in 6 years, the village's gross agricultural, industrial, and commercial output value last year was 68 percent more than in the preceding year and reached 7.18 million yuan. Each laborer's output value was 12,000 yuan. Under the promise of the township annual retention of 500,000 yuan and of per capita retention of 500 yuan, it was guaranteed that per capita net income was 1,000 yuan. In the village, 213 peasants live in buildings of two or more storeys. On a new Nongmin street, 2-li long, 20 village-run factories have been set up and a school, a clinic, shops, restaurants, an electricity generating station, cultural rooms, nurseries, kindergartens, and a guesthouse have been established. In the whole village, 47 party members and 60 percent of the people have been assessed by party organizations at all levels as outstanding party members. The village party general branch was recently conferred the title of an advanced party general branch by the provincial CPC Committee. Fifty percent of the villagers have been assessed as five-good villagers. Forty percent of peasant households have been assessed as five-good households. Last year, the provincial CPC Committee and provincial government conferred the title of a double civilization unit on this village.

Full of zest, Comrade Guan Guangfu listened to the report and fully affirmed the experience of (Hongning) Village in the increasing prosperity of agriculture, sideline production, and industry and in correctly handling the relations between taking the lead in getting rich and getting rich together, between industry and agriculture, between material civilization and spiritual civilization, between production and livelihood, between leaders and the masses, between immediate interests and long-term interests, and between accumulation and distribution. Comrade Guan Guangfu said: The experience of (Hongning) Village in exploring the way of building a new Chinese style socialist rural area is very fresh, the achievements are very remarkable, and the experience is very convincing and merits popularization in all rural areas throughout the province.

HUBEI'S GUAN GUANGFU AT SPRING FESTIVAL TEA PARTY

HK031505 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 30 Jan 86

[Excerpts] The provincial CPPCC Committee and the United Front Work Department of the provincial CPC Committee held a ceremonious tea party in the Hongshan Guesthouse, Wuchang, this morning to greet the Spring Festival. Attending the tea party were the NPC deputies and CPPCC National Committee Members in Wuhan; provincial People's Congress Standing Committee members; the provincial CPPCC Committee Standing Committee members; responsible persons of all provincial democratic parties, Federation of Industry and Commerce, Federation of Taiwan Compatriots, Federation of Returned Overseas Chinese, and Wuhan Alumni Association of Huangpu Military Academy, provincial counsellors' office, provincial Research Institute of Culture and History, and Nationality and Religion Bureau; and well-known personages of various circles, totaling some 300 people. Leading comrades of the provincial CPC Committee, provincial Advisory Commission, provincial People's Congress, provincial government, provincial CPPCC Committee, and provincial Discipline Inspection Commission and personages of various circles happily gathered under the same roof.

Tao Yang, vice chairman of the provincial CPPCC Committee and director of the United Front Work Department of the provincial CPC Committee, presided over the tea party. On behalf of the provincial CPPCC Committee and the United Front Work Department of the provincial CPC Committee, Li Wei, chairman of the provincial CPPCC Committee, spoke at the party, extending season's greetings to the personages of various circles attending the tea party, Taiwan compatriots, Hong Kong and Macao compatriots, and Overseas Chinese abroad and wishing them happy Spring Festival.

Leaders, including Guan Guangfu, secretary of the provincial CPC Committee; Guo Zhenqian, deputy secretary; Han Ningfu, chairman of the provincial People's Congress Standing Committee; Tao Shuzeng, vice chairman; and Zhang Wencai and Zhou Yongzeng, vice chairmen of the provincial CPPCC Committee, also spoke at the party. They wished them happy Spring Festival and good health.

Other leaders attending today's tea party were Zhao Fulin, Wang Qun, Li Erzhong, Shen Yinluo, Liu Huinong, Li Fuquan, Zhang Xiulong, She Chuan, Lin Musen, Liang Shufen, She Zirong, Xie Wei, Zhou Jifang, Rao Qinzhi, Xu Jinbiao, Liang Zhiyan, Sun Yaohua, (Yang Rui), Hu Hengshan, (Pan Ningzhu), and Li Xuewen.

HEILONGJIANG CPC TO REISSUE JOURNALIST CERTIFICATES

SK052210 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 4 Feb 86

[Text] The Propaganda Department of the provincial CPC Committee recently issued a document, calling on various press units to correct the arbitrary issuance of journalist certificates, to reissue journalist certificates in accordance with stipulations, and to use new journalist certificates beginning from 1 April.

The document states: The arbitrary issuance of journalist certificates not only denigrates the prestige of the press units and adds pressure to transport and traffic departments, but also provides conditions for a few lawless persons to swindle and bluff others and create harmful consequences for society.

The document stipulates: Only newspaper agencies and radio and television broadcasting stations will be allowed to issue journalist certificates. Those ordinary periodical organs and publishing houses which openly publish books and magazies but not newspapers will not be allowed to issue journalist certificates or certificates for journalists in training. The press units are also forbidden to issue journalist certificates to their administrative and rear-service personnel. When inviting special correspondents as required by the work, these correspondents should be issued letters of appointment. Special correspondents may not enjoy treatment as formal journalists.

The document points out: Various press units may not issue certificates to journalists without the appraisal and approval of the Propaganda Department of the provincial CPC Committee. The Propaganda Department of the provincial CPC Committee has demanded that by the end of March, all journalist certificates issued by various press and nonpress units in the past should be withdrawn for examination and consolidation, and new journalist certificates will be reissued in accordance with stipulations. From now on, in cases of the arbitrary issuance of journalist certificates, the relevant leaders will be called to account.

HEILONGJIANG: REGULAR CONTACTS WITH EXPERTS APPROVED

SK032330 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 1 Feb 86

[Text] On the afternoon of 31 January, leading comrades of the provincial CPC Committee, the provincial Advisory Commission, and the provincial people's government accepted a proposal put forward by experts of the provincial Scientific, Technological and Economic Advisory Commission with regard to establishing a system of regular contacts and consultations or discussions between leading personnel and experts in order to bring into better play the brain-trust role of advisers in formulating macroeconomic strategy and important economic policy decisions.

The proposal was made at a tea party held by the provincial Scientific, Technological and and Economic Advisory Commission on the occasion of Spring Festival. At the party, the participating experts stated: In the more than 2 years since the founding the provincial Scientific Advisory Commission, it has fulfilled the tasks of appraising more than 80 projects concerning important and major developments. Some of them have resulted in considerable economic results. However, they stated that they know so little about the province's programs for the macroeconomy and long-term development and that they wish to have contacts with the provincial leading personnel to exchange viewpoints in order to bring their role into better play and to enable them to be good advisers.

At the party the leading comrades of the provincial CPC Committee, the provincial Advisory Commission, and the provincial people's government readily agreed to the proposal.

Chen Lei proposed that we should begin exchanging viewpoints this year and that the leading personnel should take the lead in introducing the situation to the experts. Hou Jie stated: Efforts should be made to systematize consultations and discussions and to have the experts first provide the topics for consultations or discussions. Sun Weiben also proposed that the form of contacts between the leading personnel and experts can be multiple, such as viewpoint exchanges during lunch after meetings, opinion exchanges over the telephone, and through informal notes in order to enable the experts to understand in a timely manner the central tasks of the provincial CPC Committee and the provincial people's government as well as problems that need to be solved.

JILIN: THEORETICAL STUDY GROUPS RESTORED

SK040435 Changchun Jilin Provincial Service in Mandarin 1030 GMT 3 Feb 86

[Text] In order to realistically strengthen the study of basic Marxist theory by the leading cadres, the provincial CPC Committee recently decided to restore the theoretical study central group, composed of members of the Standing Committee of the provincial CPC Committee, members of the party group of the provincial government, and the principal responsible persons of the provincial Advisory Commission, the provincial People's Congress, the provincial CPPCC Committee, and the provincial Discipline Inspection Commission. Gao Di, secretary of the provincial CPC Committee, is chief of the study group and Wang Zhongyu, deputy secretary of the provincial CPC Committee, is deputy chief.

In addition, the provincial CPC Committee also issued a circular calling on all organs at and above the county level throughout the province to restore and establish theoretical study central groups. It called on all city, prefectural, autonomous prefectural, county, and district CPC committees, all departments and commissions of the provincial CPC Committee, the party groups of various commissions, offices, departments, and bureaus of the provincial government, and the party groups of various mass organizations, to restore or establish the theoretical study central groups within a short period of time. The propaganda departments of the provincial CPC committees at all levels and the various lecturers groups should assist the theoretical study groups of their CPC committees in formulating study plans, provide them with study materials, and introduce the relevant situations to them.

It was also decided that this year, the theoretical study central group of the provincial CPC Committee will stess the study of three special topics: 1) The issue of grasping the study of basic Marxist theory in light of the new reality; 2) the issue of building the socialist spiritual civilization and party style; and 3) the issues of socialist modernization and economic structural reform.

The circular calls on CPC committees at all levels to strengthen leadership over the regular theoretical study of in-service cadres, to guard against and overcome the phenomenon of letting things drift, and to promote the theoretical study of the broad masses of cadres throughout the province through strengthening the study of the theoretical study central groups at all levels.

JILIN SECRETARY'S ARTICLE IN MEMORY OF ZHOU ENLAI

SK010142 Changchun JILIN RIBAO in Chinese 8 Jan 86 p 3

[Article by Gao Di, secretary of the Jilin Provincial CPC Committee, carried in the first issue of JILIN DANGSHI ZHILIAO: "A Nobel Model Who Wholeheartedly Served the People"]

[Text] History as well as the people who create history are the most unbiased. If someone asks who the greatest person of the present age is, I think the majority of the people will answer that the esteemed Comrade Zhou Enlai is the greatest.

People respected Comrade Zhou Enlai not only because he was a great proletarian revolutionary, an outstanding communist fighter, and a long-tempered brilliant party and state leader of the Chinese people who made indelible contributions to the party, the people, and the communist cause. What is more important is that he was an outstanding Communist Party member and a model of the communists.

Comrade Mao Zedong once said that every person has either great or small abilities. However, as long as he has the spirit of absolute selflessness, he can be called a noble, pure, and moral person; a person who has severed himself from vulgar interests; and a person who is of value to the people. The esteemed Premier Zhou was exactly a person of this kind.

Let us hear the reminiscences of Comrade Zhou Enlai's guard.

Comrade Zhou Enlai, "when he went out, did not want too many guards. He particularly opposed the practice of having many attendants crowding around because he thought that this would be disadvantageous for him to maintain links with the masses.

"When he made an inspection tour in other parts of the country, in order to maintain more contacts with the masses, he often asked to stay in a hostel and refused to live in a high-class guesthouse.

"In the winter of 1954, when Premier Zhou learned that the traffic in Beijing was very congested and the broad masses of staff and workers found it very inconvenient during the rush hour, he wanted us to follow him, and took a bus in front of the Beijing Library after work one evening in order to personally experience the traffic situation. After that, he took a streetcar to tour part of Beijing Municipality. At that time, the bus was very crowded. The passengers were very excited when they saw that Premier Zhou was riding the bus with them. They became excited and all of them stood up to offer their seats to Premier Zhou. The premier politely declined their offers and let them sit down. He stood all the way instead and talked cordially with the staff members and workers around him. Afterward, Premier Zhou immediately instructed the various relevant departments to study and solve the problem of traffic congestion.

"On 17 July 1958, the Huang He iron bridge was damaged by flooding and the Beijing-Guangzhou Railway was interrupted, affecting freight transport and the livelihood of the people. When Premier Zhou learned about this, he rused to Zhengzhou the next day and went to the worksite by train as soon as he alighted from the plane. When he got off the train, it was already nighttime, and a fine drizzle was falling. It was about 2 li from the railway station to the worksite. Braving the rain and dampness, Premier Zhou walked to the worksite. Soon after he arrived at the worksite, Premier Zhou went to the workers' dormitory to ask after their health, with deep concern, and dined at the big mess hall with them.

"When he was in Chongqing, Vice Chairman Zhou always came into contact with high officials of the Kuomintang and foreign friends. He wore old clothing only. One of the Western-style garments that he wore abroad was faded and there was many patches on the trousers. With the consent of the leading comrades, the office comrades quietly made a pair of new trousers for him. Fearing that he would not wear them, the comrades urged Sister Deng to do something. When Vice Chairman Zhou learned about this, he refused to wear the trousers, no matter what Sister Deng said. He said: Plain living is the true quality of our Communist Party members. It does not matter if we wear mended clothes.

"At that time, Vice Chairman Zhou ate the same meals as we did, but his work was much more complicated.

"After the founding of the PRC, Vice Chairman Zhou served as the government premier. He still maintained his true qualities of hard work and plain living, as he had done during the war years. He still lived a simple life.

"Premier Zhou and Sister Deng made it a rule that at least one-third of their staple food was coarse grain. Around 1960, at the time when our country was experiencing temporary difficulty, Premier Zhou's family did not eat meat and eggs.

"His pajamas were purchased in 1950, when he accompanied Chairman Mao abroad. The pajamas were faded, and had many patches and mended spots. However, he still wore them until his death.

"One pair of his shoes had been worn down three times. He still wore them after repairs.

"His towel was worn out and had holes, but he still mended it for reuse.

"After Premier Zhou came to the city, he lived in an old-style single-story house. Some of the beams and pillars had already rotted and most of the paint on the surface had peeled off. The windows were broken and had large cracks. During the winter, he had to block the cracks with pieces of newspaper. The floor was surfaced with large square bricks which were very damp. In consideration of the fact that Premier Zhou had to work deep into the night, and it was felt that he would be liable to contract arthritis after a long period of time, we intended to repair his house on several occasions. However, he firmly refused the offer.

"Premier Zhou made a clear distinction between public and private interest even when taking a drive. He considered going to the barber shops, cinemas, and hospitals as his private business and he paid for them at his own expense and told his driver to keep the accounts.

"Premier Zhou resolutely opposed the practice of sending gifts; he returned all gifts without exception. If some gifts could not be returned, he paid for them and then turned them over to the relevant departments for further handling.

"Premier Zhou and Sister Deng set very strict demands on their relatives. In 1960, one of Premier Zhou's relatives from Huaian wanted to stay in his school as a teacher after he had graduated from the Beijing Steel and Iron Institute. His wife was working in Huaian. In consideration of the fact that they were husband and wife, the organization decided to transfer his wife to work in Beijing. When Premier Zhou learned about this, he disagreed with such a way of doing things. He personally persuaded the couple to work together in Huaian, and said to them: At any time, you must guard against seeking special privilege. You may also bring back what you have learned from school to your hometown and may display your knowledge there. The couple happily returned to Huaian County."

A comrade working for Premier Zhou said: "After the founding of the PRC, some comrades suggested that efforts be made to build a government building, and made a model of such a building. Premier Zhou resolutely opposed this. He said: 'We should implement Chairman Mao's directive of building the country industriously and thriftily. During my term of office, I will not build a government building.'"

This was our esteemed Premier Zhou. From these specific, lively, and touching facts, we can see the brilliant image of a true communist.

The proletariat has considered the liberation of mankind as its own duty. This has determined the fundamental purpose of the Communist Party as being to serve the people. Comrade Zhou Enlai was a noble model who wholeheartedly served the people.

Selflessness and selfishness are two diametrically opposed world outlooks and outlooks on life. To serve the people, we should sacrifice ourselves for the sake of others and should work selflessly for the public interest. Those persons who have fussed about personal gains or losses and refused to sacrifice their own interests for the sake of the party and the people and those who have abused their power to seek personal gains cannot be called qualified Communist Party members. These comrades, as long as they still retain some consciousness of being Communist Party members, and retain the spirit of self-criticism, should feel ashamed upon viewing Comrade Zhou Enlai's model acts and thinking about what they have done.

At present, we are engaging in the great cause of building our country into a socialist modernized strong state. To speed up the construction pace, we should open to the outside world and invigorate the domestic economy. Under such circumstances, we should all the more continue to promote our party's fine traditions of working hard and building the country industriously, and foster a good party style and social habit. The premier has been dead for 10 years. The best act to commemorate the 10th anniversary of his death is to learn from the brilliant examples which he fostered for us and to rectify the party s e. The party is the leading force of the communist cause. The masses will judge party by viewing our party style and the ideology and work style of the party members and cadres, particularly the leading cadres. As long as we have a correct party style, we are capable of exerting influence on the broad masses of people, uniting with nd guiding them, and successfully fulfilling all our undertakings.

JILIN: YANBIAN CPC CONGRESS ELECTS NEW LEADERS

SK040407 Changchun JILIN RIBAO in Chinese 24 Jan 86 p 1

[Text] The Fifth Yanbian Chaoxian Autonomous Prefectural CPC Congress was held in Yanji City from 20 to 23 January. A total of 431 delegates from 8 counties and cities throughout the autonomous prefecture attended the congress.

Comrades Li Dezhu and Shen Changchun delivered work reports to the congress on behalf of the Yanbian Autonomous Prefectural CPC Committee and the autonomous prefectural Discipline Inspection Commission, respectively. Delegates discussed the outline of the Seventh 5-Year Plan of the autonomous prefecture, and its strategies for economic and social development. Through full deliberations and democratic elections, the congress elected the Fifth Yanbian Chaoxian Autonomous Prefectural CPC Committee and its Discipline Inspection Committee. Comrade Shen Changchun [3947 2490 3196] was elected secretary of the autonomous prefectural Discipline Inspection Commission.

On the afternoon of 23 January, the Fifth Yanbian Chaoxian Autonomous Prefectural CPC Committee held its first plenary session in Yanji City. The session elected 10 Standing Committee members of the autonomous prefectural CPC Committee. Comrade Li Dezhu was elected secretary of the autonomous prefectural CPC Committee. The session also discussed and approved a "resolution on the issue of rectifying party style."

SHAANXI CONCLUDES PARTY WORK CONFERENCE

HK020704 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 29 Jan 86

[Text] Between 25 and 29 January, the Shaanxi CPC Committee held a work conference in Xian. The conference was attended by 316 people, including responsible comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress, the provincial government, the provincial CPPCC, and the provincial Military District; secretaries of various prefectural, city, county, and district CPC committees; responsible people of various provincial offices, departments, and bureaus; colleges and universities; and responsible people of some large and medium-sized enterprises.

At the conference, Comrade Bai Jinian made a report entitled: Grasp the Two Civilizations Simultaneously and Create a New Situation in the Seventh 5-Year Plan.

In the report Comrade Bai Jinian reviewed the work in 1985. He said: The provincial CPC Committee holds that in 1985, there were four points concerning our guiding ideology which are worth our attention:

First, we should eliminate leftist thinking, destroy the old, and emancipate our minds. This slogan was raised by the provincial CPC Committee in connection with the spirit of Comrade Yaobang's instruction and by proceeding from the province's actual conditions. Our experience in the past year has shown that it is necessary and correct that we emphatically stress the work of eliminating leftist thinking and destroying the old.

Second, we should greatly strengthen the building of the grass roots. Our work should be implemented in a down-to-earth manner. We must grasp the work at the grass-roots level. In June 1985, the provincial CPC Committee raised the issue of strengthening the work at the grass-roots level. Then it trained urban and rural cadres at the grass-roots level by stages and in groups. It also sent a large number of cadres to the grass roots in the rural areas to help the work there. Over the past 6 months, party committees at various levels have done a lot in this respect. They adopted a series of practical measures for strengthening the ideological and political work and the work at the grass-roots level. At present there are more than 8,000 cadres at the grass-roots level in the rural areas. This is supported by both cadres and the masses.

Third, in the course of reform and economic construction, we should uphold the principle of being eager to make steady progress. We should stress the practice of opening up in a bold way and making progress in an innovative way, while emphasizing investigation in a truth-seeking way.

Fourth, we should take a correct attitude toward and firmly grasp our shortcomings.

In regard to this year's work, Comrade Bai Jinian first talked about the issue of reforms. He said: The general principle of this year's economic structurual reform is, on the one hand, to consolidate, assimilate, augment, and perfect our present reform achievements and to exert great efforts on solving prominent problems so that our reforms will bring about better results. On the other hand, we should conduct in-depth investigations and probe the experimental units, so as to prepare for making new achievements in the next stage of reforms.

A point worth emphasizing is that we must further strengthen the vitality of large and medium-sized enterprises owned by the whole people. We must expedite the development of the tertiary industry, give play to the role of key cities, and greatly develop extensive economic and technological cooperation and links within the province and with other areas.

On further invigorating the rural commodity economy, Comrade Bai Jinian pointed out: The rural areas are still the pillar of the economy. Under no circumstances must we neglect this. At present, both the rural productive force and the peasants' living standard are at a low level. If we do not solve this uneven situation, it will inevitably affect the province's economic development as a whole and the realization of the goal of reaching the comparatively well-off level by the turn of this century. The basic way to invigorate the rural commodity economy is to readjust the rural industrial structure. Once we have grasped this point, we can handle our work like leading an ox by the halter. At present we must also place the development of marketable grain in an important position. When developing rural commodity production, we must unswervingly depend on science and technology. All comrades of party committees at various levels who are in charge of the rural work must understand this point sober-mindedly. At the same time, they must also really extricate the poor from the poverty-stricken state.

Comrade Bai Jinian urged the whole party to strengthen ideological and political work. He urged party committees at all levels to include the work on their daily agenda. The propaganda and education departments and various mass organizations are departments in charge of ideological and political work. They must help the party committees do well in their supervisory work. He urged them to really improve ideological and political work, to differentiate the present work from the past work which was influenced by leftist thinking, and to probe a new way.

He also said: We must justly and forcefully educate cadres and the masses on the present situation, tasks, and policies. The provincial CPC Committee has decided that in the first half of this year, the province's prefectures, cities, and counties, and various departments, enterprises, schools, and organs, proceeding from their actual conditions, must concentrate their efforts in a systematic way on conducting education about the present situation, tasks, and policies. They must strive to seek a common understanding, heighten our understanding, promote unity, and achieve our lofty goal. In addition, they must do well in building the ideological and political departments themselves.

On party rectification and building the cadre contingent, Comrade Bai Jinian said: We must really do well in party rectification at the grass roots in both urban and rural areas. We must greatly strengthen the building at the grass-roots level. In this regard, we must grasp two points: first, the cadres' education; and second, the consolidation of organizations. We must consolidate and develop the achievements made at the first and second stages of party rectification and strive to fundamentally change for the better the party work style of leading organs at provincial, prefectural, and county levels. Issues that are most complained about are cases of abusing power and irresponsible bureaucratic practices. When handling these kinds of cases, some people take a lenient attitude toward them. We must integrate party rectification with the strengthening of the party's building of ideology and organizational discipline. We must also integrate it with the improvement of organs' efficiency and cadres' quality. In the wake of completion of this party rectification, the focal point of the work concerning organizations and cadres should be gradually switched to the strengthening of the building of ideology and organizational discipline and the improvement of cadres' quality.

In conclusion, Comrade Bai Jinian talked about the issue of leadership. He stressed two points: First, we should improve the leaders' work style and implement the work down to the grass-roots level. He said: Leadership means service, that is, to serve the grass roots and masses. The cadres, particularly leading cadres at all levels, must not be lazy or carry out work perfunctorily. Rather, they must act in a down-to-earth manner. Second, we should improve the skill of leadership, implement the party's principles and policies and work, in an innovative way. Comrade Bai Jinian said: The criterion for judging innovation in one's work is the party's ideological line. Anyone who really upholds the practice of seeking truth from facts and who really implements the CPC Central Committee's principles and policies should be the one who is bold in proposing suggestions, in offering practical measures for solving problems, and in making innovations. It can be said that whether or not a cadre carries out work in an innovative way under the conditions of upholding the four basic principles reflects the ideology, policy, professional skill, and sense of political responsibility of the cadre. This is particularly true for leading cadres. In order to further promote the province's work, we need a large number of innovative cadres.

At the provincial CPC Committee conference on party work, Vice Governor Xu Shanlin made a speech entitled: Act in the Spirit of the Central Meeting on Rural Work and Promote Constant Development of the Province's Rural Economy. Focusing on the 1986 general principle and general task proposed by the provincial meeting of party delegates, the participants discussed the report of Comrade Bai Jinian, the speech of Comrade Xu Shanlin, the issue of strengthening ideological and political work,and the work concerning party rectification in rural areas.

The participants expressed their views freely at the conference. They unanimously held: In 1985, the province's cadres and party members greatly emancipated their minds. It was also a year in which reforms were carried out in an all-round and in-depth way and in which the province made headway in both economic construction and other tasks. The province's economic and political situation was really very good.

The noted that 1986 is the first year of the Seventh 5-Year Plan period. To do well in this year's work and to have a good start for the Seventh 5-Year Plan are of significance in terms of the in-depth economic structural reform, the further promotion of the national economy and other undertakings, and the promotion of building of socialist spiritual and material civilizations.

Through discussion, the participants gained firm faith in doing well in their year's work. They are determined to carry out work in an innovative way in accordance with the requirements of the provincial CPC Committee so that their work will be marked by special features, vitality and practical and fruitful results. Therefore, they can create a new situation in the task of the Seventh 5-Year Plan and make 1986 into a year in which the leaders'work style will be improved, the work will be comprehensively implemented, and the construction at the grass-roots level will be greatly strengthened.

XINJIANG CONCLUDES RURAL WORK CONFERENCE

HK020333 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 1 Feb 86

[Excerpts] A 10-day rural work conference convened by the regional CPC Committee concluded today. The conference said that the general demand on rural work in the region this year is to seriously implement the spirit of the central rural work conference, implement the policies well, carry out reforms in depth, continue to make readjustments, improve conditions for agricultural production, organize pre- and post-production services, promote commodity circulation, and fulfill all the economic targets.

The focus is on production of grain, animal husbandry, cotton, and cucurbit and fruit.

In grain production, the region should get a vigorous grasp of conversion work. In animal husbandry, a number of livestock in the pastoral areas should be transferred to the agricultural areas, and integration of agriculture and animal husbandry should be promoted. In cotton production, it is essential to improve quality. In cucurbit and fruit production, it is essential to do a good job in transportation.

Regional CPC Committee Secretary Song Hanliang presided at the conference. Deputy Secretary Zhang Sixue conveyed the spirit of the central rural work conference. Deputy Secretary and regional government Chairman Tomur Dawamat delivered a report entitled "Further Implement the Policies, Carry Out Reforms In Depth, and Spur Sustained, Steady, and Coordinated Development of the Rural Economy" Comrade Song Hanliang delivered a speech entitled "Straighten Out Thinking, Grasp the Focal Points, and Strive for a Bumper Harvest for the Ninth Successive Year." Regional Advisory Commission Chairman Wang Enmao made a speech. Regional CPC Committee Deputy Secretary Li Shoushan delivered a summation.

The conference pointed out that the past few years have been the best period for the entire rural economy situation in the region. The region's grain situation is currently good, but we cannot overestimate this, become blindly optimistic, and view the issue lightly. Although we are now self-sufficient in grain, with a surplus, the average amount of grain available per person is below the record figure for the region and also below the national average. There are also problems of too much emphasis on wheat and too little on rice, miscellaneous grains, and maize. We must therefore continue to implement the principle of developing diversified undertakings without any slackening of grain production.

This year we must stabilize the grain area, readjust the grain crop variety, increase income, raise yields, and ensure the fulfillment of the target for total output. We must appropriately reduce the area sown to wheat and increase the area sown to maize and other crops. We should base our efforts on grain conversion within the region and on the spot. We must continue to perfect the contract purchase system and alter the duration of unchanged quotas from 1 to 3 years. We should expand the varieties covered by contract purchasing by including barley, sorghum, mung beans, and broad beans.

The conference stressed: Giving animal husbandry a still more conspicuous position represents a major change in the region's rural economic structure and strategic planning. The key to making a success of this change lies in enhancing understanding of animal husbandry and strengthening leadership over it and over work in the pastoral areas. To speed up the development of animal husbandry, we must grasp animal husbandry on pastureland and also vigorously develop it in agricultural areas and pay attention to it in city outskirts, organinally integrating these three developments.

The focal point in animal husbandry work this year is to grasp conversion, develop animal husbandry in the agricultural areas, and transfer some livestock in the pastoral areas to the agricultural areas. This must be done in a planned and organized way under leadership. There are great potentials for developing animal husbandry in the agricultural areas.

The conference proposed further relaxing animal husbandry policies, making concessions to the interests of the herdsmen, and invigorating the economy in the pastoral areas, and formulated corresponding policies.

Discussing the development of commodity production in the region, the conference proposed vigorous development of the region's strong-point products and striving to turn the region's natural strong points into economic and commodity strong points. Cotton is a big strong point in Xinjiang. The key to taking advantage of it lies in improving quality and paying top prices for top quality. Speeding up the improvement of strains is an important way to improve cotton quality.

Cucurbit and fruit production is also a big strong point in Xinjiang. We must regard the development of cucurbit and fruit cultivation as a major pillar of the rural economy and get a thoroughly good grasp of it.

Discussing the readjustment of the rural production structure, the participants pointed out that township enterprises, forestry, and fisheries are weak links in the region's rural economy. Regarding the township enterprises, we should uphold the principle of pooling the efforts of townships, villages, combinations of households, and individuals. The enterprises should be based on and serve agriculture. The focus should be on developing agricultural and animal product processing industries, mining, building materials, light, textile, and chemical industries, and tertiary industry. We must further relax the policies and make concessions to the interests of the township enterprises.

The key to developing forestry lies in better implementing forestry policies. In fisheries, we must make full use of our waters and launch large numbers of people to breed fish. We should gradually establish some marketable fish bases in city outskirts.

The conference proposed the region's agricultural development targets for 1986. Total output value should be 5 billion yuan. Total grain output should be 10 billion jin, cotton 4.5 million dan, oil-bearing crops 6 million dan, and sugarbeet 13 million dan. The peak number of livestock should be 40 million, and meat output should reach 2.15 million tons. The region should carry out afforestation and tree planting on 1.2 million mu, and strive to plant grass and improve pastureland on 5 million mu. Total income of the township enterprises should be 1.2 billion yuan.

The conference held: To attain these targets, we must persevere in reform and carry out reform in depth. We must increase input, to improve the production conditions. We must rely on science and do a good job in organizing agroscientific and technological services. We must step up work in poor areas, and lighten the peasants' burden. We must bring into full play the backbone role of the production and construction corps in modernizing Xinjiang's agriculture. We must pay attention to building spiritual civilization in the rural areas and strengthen leadership over rural work.

The focal points in rural reforms this year are to further perfect the dual-level operational system combining unified and separate efforts and bring into full play the initiative of both unified and household operations. Starting with providing services, we must perfect the cooperative economy. In accordance with the demands of the peasants and herdsmen, we must provide comprehensive and systematic service in fine strains, technology, processing, storage, and so on.

The meeting stressed that leadership is service. The main duty of leaders in rural work is to serve the grass roots and the peasants and herdsmen.

XINHUA COMMENTATOR'S ARTICLE ON REUNIFICATION

OW061430 Beijing XINHUA Domestic Service in Chinese 0732 GMT 6 Feb 86

[XINHUA commentator's article: "Both Sides of the Strait Work Together To Invigorate China"]

[Text] Beijing, 6 Feb (XINHUA) -- With the approach of the Spring Festival of 1986, the sons and daughters of the Chinese nation throughout the world are jubilantly celebrating this traditional holiday. On this auspicious and happy occasion, we would like, in accordance with tradition, to extend festival greetings to our compatriots in Taiwan, Hong Kong and Macao, and to Chinese nationals residing abroad. We wish you good health and happiness, and domestic bliss.

It is known to all that in reality the recent situation on both sides of the Taiwan Strait has, as can be seen from various considerations openly stated or covertly conveyed by public figures as well as private individuals, been moving nearer to the eventual peaceful reunification of the motherland. It is patently obvious that this is the general trend of events and meets the demands of the times and the people. Even those who are desperately opposed to this have to yield their ground bit by bit, glancing right and left but unable to directly admit the facts. We welcome the way things are moving, and understand the fix in which some people find themselves for the time being. Nevertheless, like our compatriots in Taiwan and elsewhere, we really hope to see events develop a bit faster and shape up more definitely. In any case, "the need for China to reunify peacefully at an earlier date" has become the strong demand of all Chinese compatriots and a major topic of discussion in China and abroad. People of all circles on Taiwan and Chinese nationals residing abroad, even numerous top civilian and military persons within the Kuomintang, are dissatisfied with the rigid stand taken by the Taiwan authorities in opposing the Communist Party and rejecting proposals of the mainland for peace negotiations; they are critical of the unreasonable rejection of the call to resume posts and telecommunications, navigation and trade links between the mainland and Taiwan; and they call for the restoration of normal contacts between kith and kin now separated by the Strait between them. Defying bans, they have held various discussions of questions relating to China's reunification and Taiwan's future, making oblique hints to ways of achieving China's peaceful reunification. Meanwhile, indirect trade and exchanges of visit to relatives and friends, as well as academic, cultural and sports exchanges, are steadily increasing. Is there any one who can step forth and challenge these facts? Along with the increase in exchanges, naturally, Taiwan compatriots and Overseas Chinese who judge things objectively find that the political situation on the mainland has been stable in recent years, that its international position is steadily becoming more important, that the Hong Kong question has been resolved to the unanimous approval of the people of China and the rest of the world, and that the economic development and improvement of both urban and rural living standards on the mainland have become the focus of world attention. It is of course natural that people of various circles who are concerned about the mainland are not satisfied with everything that has taken place on the mainland. As a matter of fact, the government and public on the mainland have never claimed that all is right with us. Moreover, different people have different views and are all free to hold them. There is no need to impose a consensus. But the truly important thing is that the mainland of our motherland is making steady progress. The National Conference of the Chinese Communist Party held last September successfully completed the replacement of old leaders of the central institutions with younger ones, thus ensuring the stability of the nation's fundamental strategies and principles and policies for a long time to come. The concept of "one country, two systems" raised by the Chinese Communist Party is being gradually understood by compatriots on Taiwan, Overseas Chinese throughout the world and other people who care about China's future. In the changing situation in Hong Kong, the concept has proved itself entirely feasible. A growing number of people are coming to realize that reunification of the motherland on the principle of "one country, two systems" suits the need of the

nation's long-term stability and is also a guarantee for maintaining the present way of life and interests of our Taiwan compatriots; and that it greatly favors the long-term prospects of Taiwan's economic growth and makes it possible for our Taiwan compatriots to play their role in the four-modernization drive of the mainland. When this is one, it will indeed be a situation in which "four beauties become available and two disagreeing things join." [si mei ju er nan bing 0934 5019 0215 0059 7181 1629] (The original verse is from "Tengwang Pavilion," an article by Wang Bo of the Tang Dynasty. Here, four beauties mean allegorically the four benefits described in the preceding sentence, and two disagreeing things mean the KMT and the CPC) The deeds of merit of all those who contribute to this will surely go down in historical records, and is something their descendants will be proud of. Since we are all human, how could any one of us far-sighted Chinese be unmoved by the prospect or unawakened to his responsibility for the rise or fall of the nation?

The year 1986 is sure to be one of furthering the process of the peaceful reunification of the motherland. We sincerely hope that in this year, our compatriots of all nationalities and in all walks of life on Taiwan will continue to demonstrate their patriotic spirit, synchronize their efforts of seeking democracy and prosperity on the island with those of promoting peaceful reunification of the motherland, each person using his or her ability and through diverse channels to work for the reunification, and join us in the concerted effort to attend to state affairs; and that they urge the Kuomintang authorities to remove artifical barriers and change the policy of "no contact, no negotiation and no compromise". We hope at the same time that Hong Kong and Macao compatriots and Overseas Chinese will continue to serve as a bridge for exchanges in all fields on both sides of the Strait, and contribute their wisdom and efforts for reunification of the motherland.

We have noted that the Taiwan Kuomintang authorities always maintain the one-China stand and oppose schemes known as "two Chinas" and "independence of Taiwan"; and we are happy to find that the authorities in Taiwan have, after all, taken a few steps toward easing the tension between both sides of the Strait. Developments on the mainland at present are at the important point of invigoration and take-off, while Taiwan has the task of extricating itself from a predicament for reinvigoration. The world is changing rapidly, and people should make careful plans. It is better to help yourself than to have others help you. Friend or foe, we both spring from the same roots. Dilatoriness is fraught with dangers, present obstinacy spells future ruin. We must change with rapidly changing circumstances; and is not reunification but a return to the normal and original order of thing? Events develop according to their inherent laws, and honor and duty permit no turning back. The country should be reunified at an earlier date so that the people on both sides of the Strait can live in peace and prosperity forever and the entire Chinese nation advance in step with the developed countries of the world. On your decision hinges success or failure, honor or discredit. It is our sincere hope that the Kuomintang authorities understand their position and role in history well and, balancing advantages and disadvantages and considering their own future, do things that suit the development of events and meet popular demand. Dr Sun Yat-sen declared 70 years ago: "Persons with foresight always do things that accord with heavenly principles, popular will, the trend of world events and the need of the masses; hence their success in whatever they try to accomplish. This is how all revolutions and reforms and exploits to build up a nation have been carried out since ancient times." ("The Complete Works of Sun Yat-sen" Vol VI, p 228) How finely said! One can certainly put into practice what one truly knows, and the Kuomintang gentlemen now in power should think this over and over again. In the final analysis, their pressing task today is to make determined efforts to cast aside all unnecessary doubts and stop all empty talk, and take a bold step in the new year by blazing a new trail for the reunification of the motherland. That will certainly be a blessing for the entire Chinese people and nation, and it is the only way to ensure the well-being of the Kuomintang authorities.

U.S. POLITICAL ASYLUM FOR MAINLAND CHINESE URGED

OW070115 Taipei CHINA POST in English 4 Feb 86 p 4

[Editorial: "U.S. Grants of Political Asylum to Mainland Chinese"]

[Text] According to an analysis by the Chinese language newspaper, WORLD JOURNAL, the U.S. Government granted between Oct. 1, 1984 to Sept. 30, 1985, political asylum to only 44 persons out of 171 applicants from Red China.

Although the number is three times more than that of the preceding year, it represents, nevertheless, only one-fourth of the total applicants. The statistics also show that in fiscal 1984, a total of 318 applied for political asylum but only 15 were granted it and 192 were rejected. In fiscal 1985, 63 were rejected, 34 were still under consideration and 30 others withdrew their applications or were requested to submit additional information.

As the Chinese mainland is undergoing another phase of arbitrary persecution of dissidents in its current anti-corruption campaign the Tengists have launched another wave of wanton executions of defenseless people. Most of the applicants for political asylum in the United States will be in mortal danger upon returning to the Chinese mainland. Rejection of their applications would inevitably endanger their safety when they return to the Chinese mainland.

On humanitarian grounds, the U.S. immigration authorities should reconsider those rejections or offer an alternative of permitting them to continue to reside and work in the United States until they can find an alternative country to go to. But they should not be repatriated to the Chinese mainland as it would mean for them certain punishment by the Chinese Communist authorities.

PLANS TO BUILD UP INDIGENOUS DEFENSE INDUSTRY

OW011445 Taipei CNA in English 1421 GMT 1 Feb 86

[Text] Taipei, Feb. 1 (CNA) -- The Executive Yuan said Saturday that in fiscal 1987 the government will strengthen cooperation with the private sector in order to build up an indigenous defense industry at an early date.

In a report to the Legislative Yuan on its administrative guideline for fiscal 1987, the yuan said the priority of its efforts in this respect will be placed on the research and development of advanced fighters, naval vessels and armored vehicles.

In the meantime, the government will improve its security equipment and mobilization ability in order to prevent unlawful elements from undermining the social stability.

In addition to training more scientists and engineers for the defense industry and introducing into this nation more advanced technologies, the government will accelerate its pace in setting up an automatic defense command system, updating electronic equipment of the Navy and Air Force, and enhancing the combat ability of coastal artillery and missile units in order to maintain air and sea supremecy in the Taiwan Strait.

CHENG MING VIEWS HU QIAOMU'S RECENT ACTIONS

HK060125 Hong Kong CHENG MING in Chinese No 100, 1 Feb 86 pp 12, 85

["Notes on a Northern Journey" by Luo Ping: "Hu Qiaomu's Recent Performance"]

[Text] The Essential Victory of Justice

Recently, there have been many changes in China's idelogical field. This suggests that the struggle at the supreme level of the CPC is very complicated. The "tightening of control" in the ideological field has met with strong resistance and opposition.

After the transient "golden time" during the meeting of the writers' association in early 1985, Hu Yaobang made two speeches (the February speech to the press and the April speech to literature and art circles) under pressure, setting the tone for tightening control in the ideological field. These two speeches have brought China's cultural activities to a low ebb. Originally, Hu Jiwei was supposed to be in charge of drafting the press law, which was to be completed by the end of last year and submitted to the NPC for examination early this year, but nothing has come out so far; and the proposal on "freedom of creation" in literature and art has been replaced by "writers' sense of responsibility for society" and "social benefit."

On the other hand, however, the suppressed group of people took silent action in lieu of resistance and scored a series of essential victories in 1985: Liu Binyan, who was to be "expelled" from the press, was allowed to remain in RENMIN RIBAO as a senior reporter; a group of "rebellious" youths in literature and art circles were finally recognized by the authorities; seven members of the Chinese Writers Association started their activities; some old and modern poets were allowed to go abroad for a visit; and as a result of the efforts made by the committee for protecting the rights and welfare of writers. Xu Jingya, who had been relieved of his post for examination in Shenzhen, was permitted to return to work, and Qu Youyuan, a democratic poet in the northeast who had been arrested on a "fabricated" charge as a counterrevolutionary, was finally released....

There was no one in cultural circles in Beijing who did not exclaim with happiness at the mention of all this. They remarked that the waves of reforms and democracy were irresistable and that if the fifth literature and art congress could be opened soon, there would be another "literature and art spring."

Hu Qiaomu "Offers a Humble Apology"

The victory of the open-minded faction in literature and art circles has made Hu Qiaomu, leader of the conservatives, feel that the situation is unfavorable to him. Intentionally or unintentionally, Hu Qiaomu has been "abnormal" recently.

At the fourth writers' congress, some participants boldly criticized Hu Qiaomu, Deng Liqun, and He Jingzhi for their "leftist ways of doing things. The bravest in counter-attacking the "leftist kings" in literature and art circles was playwright Wu Zhuguang, who accused He Jingzhi and the like of persecuting him and claimed that he would never knuckle under. Taking account of the "overall" situation, Hu Qiaomu treated Wu Zhuguang with increased respect and took the initiative in "uniting" with this much-respected writer. Not long ago, Hu Qiaomu went in a Hongqi car to an apartment building near the Beijing workers' stadium and paid Wu Zhuguang a "special visit." Wu Zhuguang lives on the eighth floor but there is no elevator in the building. As Hu Qiaomu was not strong enough to go up to the eighth floor, he has two assistants help him up.

A friend of mine who knows Hu Qiaomu and Wu Zhuguang told me that the purpose of Hu's visit was to make an apology to Wu -- to admit that what he did in the past hurt the feelings of some comrades. People in literature and art circles in Beijing described this as "offering a humble apology," but they did not know whether the apology was sincere.

"Dear Shu Ting"

Hu Qiaomu never forgets to make contact with young writers who have exceptional talent. Shu Ting, a female a little over 30 who was elected a member of the board of the Chinese Writers' Association at its fourth congress, was listed among the 10 young poets selected by LHASA WANBAO [LHASA EVENING NEWS] readers last year. Subsequently, she was elected vice chairman of the Fujian Writers' Association. In autumn last year, Hu Qiaomu made a special trip to Gulangyu, Xiamen, to "visit" this female poet of the "obscure faction." There Hu Qiaomu expressed his objection to criticism of the "obscure faction."

It was said that they talked for as long as half a day and that Hu Qiaomu spoke highly of Shu Ting's poetic style and asserted that there would be no more criticism of the "obscure faction."

Not long after this, Hu Qiaomu, full of sentiment for this female poet, wrote her a letter addressing her as "Dear Shu Ting." A week later, Hu Qiaomu wrote her another letter saying that the word "dear"was not appropriate and should be "corrected" to "comrade." Some people praised Hu Qiaomu, saying that he had the style of a superior.

Leniency Toward Liu Binyan

Hu Qiaomu has always looked upon Liu Binyan as "one who holds different political views." Although Liu Binyan is a "comrade" in the party, he usually fails to "keep abreast of the CPC Central Committee." Therefore, Hu Qiaomu does not have a good opinion of him. But as Hu Yaobang holds a different view on Lou Binyan and public opinion at home and abroad is in Liu Binyan's favor, Hu Qiaomu can do nothing to him. Recently, some people suggested that Liu Binyan leave RENMIN RIBAO, but Hu Qiaomu showed his generosity, saying that "it would be better for Liu Binyan to retain his position at RENMIN RIBAO." Since these remarks have saved Liu Binyan's life, should he not be deeply grateful to Hu Qiaomu?

However, Hu Qiaomu adopts a different attitude toward "comrades in the party who can keep abreast of the CPC Central Committee."

Wang Meng's fate is different from that of Liu Binyan or Wang Ruowang. Wang Meng has experienced gradual promotions in recent years, and he was elected member of the CPC Central Committee at the National Conference of Party Delegates last year. Although Wang Meng is not the first leader of the cultural federation or the writers' association, he is actually the No 1 person in literature and art circles. In balancing the relationship between the writers contingent and the CPC, no one can substitute for him. The writers call him the "literature and art viceroy."

A "Verbal Battle" Between Wang Meng and Hu Qiaomu

Since Wang Meng became chief editor of RENMIN WENXUE, he has hoped to make some prominent achievements. Over the past year, RENMIN WENXUE has carried a number of significant articles that have aroused certain arguments among readers, such as "You Should Make a Choice" by Liu Suola (in the March 1985 issue), "Flowers Which Are Not Flowers" by Wu Liwei (in the April issue) "Father, Father, Father" by Han Shaogon (in the June issue), "May 19th Telephoto Lens" by Liu Xinwu (in the July issue), and "Mr Hei" by Jia Pingau (in the October Issue). The emergence of these works has injected vitality into literature and art circles, given readers fresh feelings, and aroused arguments among critics.

The majority of readers speak highly of these works, but some people assert that they reflect "empty inspiration," "Laozi and Zhuangzi philosophy," "decadent ideology," and "unhealthy feelings."

Not long ago, taking the opportunity of "tightening control" in literature and art circles, Hu Qiaomu went looking for Wang Meng to lecture him on morals. Hu Qiaomu asked Wang Meng why RENMIN WENXUE had carried so many "unhealthy works," and demanded that Wang Meng explain. Unexpectedly, Wang Meng said: "You have read all these works, haven't you?" Hu Qiaomu replied that he had read only some of them. Wang Meng told him to come back again after he had read all those works. In the end, Hu Qiaomu himself was in for trouble.

The "Prescription Study" of RENMIN WENXUE

Naturally, this does not mean that Wang Meng does not have any misgivings whatsoever. However, since he has taken over as aditor in chief of RENMIN WENXUE, he has been forced to do something desperate. He does not necessarily like those works but he can put up with them. Particularly when the sales volume of RENMIN WENXUE had dropped from more than 1 million copies at its height to a couple of hundred thousand copies, there is indeed a need for different styles of works in order to win over different readers.

In Chinese literary circles there has always been a "prescription study." This "theory" of prescription, characterized by "70 percent achievements and 30 percent mistakes" or "80 percent achievements and 20 percent mistakes," was reportedly derived from the dangerous political situation. As a "governor general of literature and art," Wang Meng is naturally familiar with this. Therefore, he will never act indiscriminately regarding the lists and cintents of RENMIN WENXUE articles lest Hu Qiaomu seize on his mistakes. That is precisely why he asked Hu to "discuss the articles after he read all of them."

Wang Meng knows that Hu Qiaomu can do nothing to him, but he should not behave in an unbridled manner either because the situation is tense. For this reason, at the work conference of the Chinese Writers Association, he vigorously stressed the need to strengthen the writers "sense of social responsibility" and denounced some unhealthy trends in literary creation.

RENMIN WENXUE was reported to have cnaceled at the last moment the typesetting of some articles regarded as "problematic." The authors of these articles were previously notified that their works would be published. Calculating the RENMIN WENXUE would not dare to publish many of the good works sent to the Editorial Department in the near future, the authors recently sent them out of the capital. Some have been sent to Shanghai, where some magazines are getting ready to publish them.

Was Hu Qiaomu's Recent Performance Abnormal?

After reading the reports on Hu Qiaomu's recent behavior, the readers will probably ask: Is Hu Qiaomu acting a little oddly these days? No. As far as Hu Qiaomu is concerned, the contradictions between the present and the past and between words and deeds are normal. In recent years he said that the formulation that literature and art should serve politics is not good. However, when the literature and art circles asked his to write articles according to this viewpoint, he procrastinated. To go back a little farther, Hu made some erroneous remarks about Deng Xiaoping during the "Cultural Revolution." However, the "Resolution of Certain Questions in the History of the Party Since the Founding of the PRC," which Deng Xiaoping wanted approved at the party meeting, was chiefly written by Hu. Some people asked: Why was the "Resolution" so lenient toward Mao Zedong? Hu Qiaomu said: The original manuscript included the historic and class reasons behind Mao Zedong's mistakes.

However, due to the principle that it "should be in rough outline and not go into so much detail" (it was Deng's instruction -- author), they were deleted. He also said: "You should not oppose this or that; it is not easy even to attain such a result (referring to the "Resolution")." We can thus see that Li Qiaomu is the same as he was before.

What is he like?

You can draw your own conclusion, can't you?

HONG KONG POLICE ARREST 5 BAMBOO UNION MEMBERS

HK060408 Hong Kong HONG KONG STANDARD in English 6 Feb 86 p 3

[Text] Five senior members of the Taiwanese Bamboo Union in Hong Kong have been arrested in swoops throughout the territory on Tuesday, police reported yesterday. The "top secret" joint operation by officers of the Organised and Serious Crime Bureau and the Commerical Crime Bureau followed lengthy investigations into the activities of Taiwan's Chuk Luen Bong (Bamboo Union) members here.

In the operation, detectives working under instructions from Detective Senior Superintendent Peter Lee Lan-chuen raided nine premises throughout the territory believed to be the frequent haunts for members of the Taiwanese triads. Police declined to give more information on the raids but said they were carrying out follow-up investigations into a triad society in Hong Kong. However, police said the arrested men have been charged with offences relating to assisting in the management of a triad society and being office-bearers of the Taiwan-based Chuk Luen Bong (Bamboo Union) gang.

The Chuk Luen Bong members are known to have been involved in the murder of journalist Henry Liu in Daly City, California, last year.

XU JIATUN DENIES RUMORS OF PENDING RETIREMENT

HK060410 Hong Kong HONG KONG STANDARD in English 6 Feb 86 p 3

[Text] China's top official in Hong Kong denied yesterday he is to retire this year. Mr Xu Jiatun, director of XINHUA NEWS AGENCY in Hong Kong, said an earlier report about his immediate retirement is a totally groundless rumour. Mr Xu told the press yesterday he personally would like to retire this year because he is well above the age of retirement. But he quickly added that the matter is not up to him to decide. It will be decided by Beijing. He declined to speculate on a date for his retirement.

The question of his retirement arose when a report was published in CHENG MING, an authoritative magazine on China, saying Beijing had decided to replace Mr Xu this year. Mr Xu was in China at the time. A few weeks later, Mr Qiao Zonghui, deputy secretary-general of XINHUA NEWS AGENCY, told the press during a social function that Mr Xu was only on vacation in China. It was not until yesterday that Mr Xu appeared publicly to deny the rumour.

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FOREIGN MINISTRY ON USSR FOREIGN MINISTER'S VISIT

OW091155 Beijing in Russian to the USSR 1800 GMT 5 Feb 86

[Excerpt] Dwelling on the question of an exchange of visits by PRC and Soviet foreign ministers the press spokesman said that the dates for the visits have not yet been set. The time for the exchange of visits will depend on the development of events.

ELEMENTARY READER GARNERS UNESCO AWARD

OW080640 Beijing XINHUA in English 0630 GMT 8 Feb 86

[Text] Lanzhou, February 8 (XINHUA) -- An elementary reading book to teach illiterate peasants in Cansu Province has been awarded a prize by the United Nations Educational, Scientific and Cultural Organization (UNESCO). The Nessim Habif Prize is awarded for outstanding work in the international fight against illiteracy.

The book was compiled by the Gansu Provincial Education Department to meet the needs of this north west China province's rural dwellers. Gansu has a total rural population of more than 16 million. About 37 percent of those aged from 12 to 40 are illiterate, and education officials plan to teach all the illiterate people aged between 12 and 25 to read and write over the next five years. The reading book contains 2,000 commonly-used words in 68 texts. The first half concentrates on teaching slow-learning adults by a fast-learning method stressing words with similar sounds. The second half consists of reading practices. Most students are able to master the texts in their spare time within 12 months, education officials here said, adding that more than 300,000 copies have been printed since early last year.

AL-JUMAYYIL APPEALS TO UN ON ISRAELI ANNEXATION

OW080152 Beijing XINHUA in English 0139 GMT 8 Feb 86

[Text] Beirut, February 7 (XINHUA) -- Lebanese President Amin al-Jumayyil today urged the accredited representatives of the permanent members of the Security Council to enlist their governments' help in forcing Israel to abandon its gradual annexation of Lebanese land. Referring to the report which was released, along with maps, by the international commission set up to investigate Israeli annexation of Lebanese territory at the United Nations Headquarters, the president said it indicated that between 50 and 70 square kilometers of Lebanese land were being grabbed by the Israeli occupation authority.

Meeting the ambassadors form the United States, Britain, France, China and the Soviet Union, Al-Jumayyil said that Israel's gradual annexation of Lebanese land was a flagrant violation of the U.N. Charter and even more serious than outright occupation. He informed the envoys that the U.N. secretary general had been asked to set up a fact-finding committee. He noted that Israel was seeking to take over wider areas of the south, extending its occupation north to the town of Kafr Killa and the Al-Wazzani and some upstreams of the Wazzani River. He pointed out that Israel was trying to take over the pipelines which deliver Saudi oil to the Zahrani refinery near Sayda in the south, and to use the pipeline to divert waters of the Wazzani River and ultimately of the Litani River, thus not only stealing Lebanese land, but also plundering Lebanese water resources.

LI PENG MEETS U.S. UNDER SECRETARY SCHNEIDER

OW081116 Beijing XINHUA in English 1056 GMT 8 Feb 86

[Text] Beijing, February 8 (XINHUA) -- Vice-Premier Li Peng met with William R. Schneider, under secretary of state of the United States, and his party, here this afternoon. Li briefed Schneider on China's industrial and agricultural production, economic restructuring and its policy of opening to the outside world. He said that the crackdown on economic crimes will help rather than affect China's opening to the outside world. China "will continue to develop economic and technological cooperation with foreign countries," he emphasized.

Schneider, who is on a private visit to China, said China has benefited much from its economic reform. Earlier today, Vice-Minister of Foreign Affairs Zhu Qizhen met and feted Schneider and his party.

QIAN QICHEN MEETS U.S. PRESIDENTIAL ADVISER

OW081138 Beijing XINHUA in English 0831 GMT 8 Feb 86

[Text] Beijing, February 8 (XINHUA) -- Qian Qichen, vice-minister of foreign affairs, exchanged views on disarmament with Edward Rowny, U.S. special advisor to the President and secretary of state for arms control matters, here this morning. Rowny arrived here on February 7 as guest of the American Embassy in China, and left this afternoon.

REAGAN SUGGESTS NEW NUCLEAR DISARMAMENT PLAN

OW071943 Beijing XINHUA in English 1932 GMT 7 Feb 86

[Text] Washington, February 7 (XINHUA) -- U.S. President Ronald Reagan has suggested a plan calling for the elimination of U.S. and Soviet medium-range missiles from Europe and for cutting the Soviet SS-20 missile force in Asia by 50 percent, it was disclosed here today. Press reports quoted administration officials as saying that Reagan proposed the plan in response to Soviet leader Mikhail Gorbachev's Jan. 15 proposal to eliminate nuclear weapons by the year 2000.

The U.S. proposal, masterminded by the U.S. Arms Control and Disarmament Agency, is contained in a confidential directive from the President. It was one of three possible approaches considered at a White House meeting Monday. The two other proposals were made by Defense Secretary Caspar Weinberger and by Secretary of State George Shultz. The Reagan plan apparently runs counter to the opinion of Weinberger, who reportedly claimed that no change in the American position was needed. It also differs from the position adopted by Shultz, who proposed that the U.S. respond the Soviet proposal by offering measures on medium-range weapons in Europe and by modifying its proposal to ban mobile missiles.

Reagan's plan accepts the Soviet suggestion that U.S. and Soviet missiles be eliminated from Europe, but rejects the idea that Britain and France freeze their nuclear forces. It also rebuffs the suggestion that the U.S. pledge not to transfer missiles to other countries. U.S. officials said a final decision on the adoption of the plan will be made only after consultations with its allies. Paul Nitze, adviser to Secretary of State Shultz, has been sent to discuss the plan with European allies, and Edward Rowny, a former arms negotiator, has been dispatched to consult with Asian and Pacific nations. Meanwhile, U.S. House Foreign Affairs Committee Chairman Dante Fascell yesterday called on the Reagan administration to "take a more aggressive and assertive posture" in the Geneva arms negotiations and urged a high-priority effort to work out a comprehensive U.S.-Soviet ban on nuclear testing.

GORBACHEV INTERVIEWED ON SOVIET-U.S. RELATIONS

OW081808 Beijing XINHUA in English 1524 GMT 8 Feb 86

[Text] Moscow, February 8 (XINHUA) -- Soviet leader Mikhail Gorbachev stressed today that progress thus far in Soviet-U.S. relations have been "too limited, peripheral, and has no bearing on the vital issues." In an interview released today in advance by the official news agency TASS, Gorbachev said: "In my opinion, one has to be cautious in one's assessments" on signs of a revival of detente after the Geneva summit.

In the interview with the French newspaper L'HUMANITE, Gorbachev reiterated that the U.S. "star wars" program "enhances the threat of war, and may, at a certain stage, make it probable." He said implementation of the "star wars" program "is deliberately aimed at thwarting the current talks and erasing all the existing arms control agreements." Asked about the likelihood of a quick end to the war in Afghanistan and the withdrawal of Soviet troops, Gorbachev said: "We would want (to do) that very much and will, within our capabilities, work toward that." Yet he accused the Governments of the United States and Pakistan of "interference in the conflict." On Soviet-French relations, Gorbachev said the Soviet Union advocates a broad cooperation with France, and the differences between the two countries should not become obstacles to concord and cooperation between them.

Criticizes SDI Program

OW081918 Beijing XINHUA in English 1855 GMT 8 Feb 86

[Text] Paris, February 8 (XINHUA) -- Soviet leader Mikhail Gorbachev has said that by adopting the Strategic Defense Initiative (SDI) program, the United States "deliberately tries to discourage the on-going negotiations" and to turn the existing agreements on arms limitation into waste paper.

In an interview with L'HUMANITE, an organ of the French Communist Party Central Committee recently, Gorbachev said that the Soviet Union is considering a shorter and more direct approach without causing any difficulties and dangers to the elimination of nuclear weapons. But, he said, the U.S. method in this regard provides no way out (for the world). The interview was published today. Referring to his new proposals on arms reduction, Gorbachev said that the Soviet Union wants to eliminate nuclear weapons not for leading the arms race into another field that may also prove dangerous." [sentence and quotation marks as received] He said that signs of relaxation have emerged since the Geneva summit last November, but they "do not touch the essential problem."

Holds 'No Political Prisoners'

OW081743 Beijing XINHUA in English 1511 GMT 8 Feb 86

[Text] Moscow, February 8 (XINHUA) -- The Soviet Union has "no political prisoners" just because there is no persecution of people "for their convictions," said Soviet leader Mikhail Gorbachev in an interview with the French communist newspaper L'HUMANITE which was released by TASS today. But, he said: "Spying for foreign intelligence services and agitation for undermining our destroying the state are qualified by our law as crime against the state. In the recent period, a little more than 200 people have been serving sentences for all crimes of such a kind."

As to the Soviet physicist Sakharov, Gorbachev said that Sakharov has committed "actions punishable by law." He continued Sakharov is still an academician of the Soviet Academy of Sciences and lives in the Gorkiy city, engaging in scientific research work. He added: "Sakharov is still in knowledge of secrets of special importance to the state and for this reason cannot go abroad."

COMMENTARY URGES 'TEAM SPIRIT' CANCELLATION

OW081124 Beijing XINHUA in English 1030 GMT 8 Feb 86

["Commentary: Military Exercises Reverse Tide (by Guo Quanyou)" -- XINHUA headline]

[Text] Beijing, February 8 (XINHUA) -- Last year's tiny beacon of hope for peace on the Korean peninsula was overshadowed in the glare of the new year announcement that the U.S. and South Korean troops will hold joint military exercises "Team Spirit-86" beginning on February 10. The chilling announcement not only negated the progress of the last year, but it also renewed the concerns of the Democratic People's Republic of Korea (DPRK) and the international community.

On January 10, the Foreign Ministry of the DPRK announced a suspension of major military exercises to create a favorable environment for the economic, parliamentary and Red Cross talks scheduled for January and February this year. The ministry called upon the U.S.-South Korean side to reciprocate its good will gesture. To the disappointment of the Korean people on both sides of the demarcation line and peace-loving people of the world, however, the U.S.-South Korean side announced eight days later that it would go ahead with its "Team Spirit-86" joint military exercises involving more than 200,000 troops. Expressing disappointment at U.S.-South Korean lack of historical responsibility and sincerity for peace, the DPRK announced a postponement of the talks.

The United States and South Korea have claimed that "Team Spirit-86" merely follows "convention" and is aimed at "self-defense." Anyone watching the situation on the peninsula knows that since 1976, the scale of the annual U.S.-South Korean military exercises has been growing, the troops involved have increased from the original 90,000 to this year's 200,000; the area covered has also expanded ominously northward; and the weapons and equipment used are increasingly advanced. Is the escalating nature of the military exercise "convention"? And if this "convention" continues can there ever be peace and national reunification?

The "self-defense" claim is even less plausible. First, nobody can seriously believe that the DPRK troops are preparing to attack the beaches of Hawaii and even if they were, there is little need for U.S. warships to come all the way across the Pacific to conduct a joint exercise. Second, the DPRK Government has frequently reiterated that it has no intention to "drive southward," as alleged by the South Korean authorities. On the contrary, the DPRK has initiated a number of proposals for national reconciliation and has taken several steps to bring about early national reunification and peace on the peninsula.

Obviously, "to follow convention", means only the ever upgrading show of military power, and "self-defense" is merely a camouflaged military threat. However, the past 40 years have made it clear that military buildups cannot solve the Korean problem. Rather, they aggravate tension on the peninsula and endanger peace in Asia and the rest of the world. It would be wise for the United States and South Korea to respond to the DPRK's call by cancelling the pending joint exercises and thereby pave the way for tripartite talks and a summit meeting between the North and South of Korea.

DPRK CALLS FOR BOYCOTT OF 'WAR GAMES' IN SOUTH

OW081938 Beijing XINHUA in English 1848 GMT 8 Feb 86

[Text] Pyongyang, February 8 (XINHUA) -- The Democratic People's Republic of Korea today called on the people of South Korea and America to boycott the upcoming joint U.S.-Seoul military exercises code-named "Team Spirit-86".

A letter containing the appeal was adopted today at an emergency meeting held by the Central Committee of the Democratic Front for the Reunification of the Fatherland. The letter said the danger of war in the region would be increasing with the "Team Spirit-86" mock warfare scheduled for February 10. The hard-won dialogue between the two parts of Korea would be disrupted because of the military exercises, it added. It called on all people and all parties and social organizations in South Korea in particular to boycott the war games. It also urged them to strive for turning the Korean peninsula into a nuclear-free zone, forcing the U.S. to withdraw its troops and nuclear weapons from South Korea and creating a climate for resumption of the North-South dialogue.

NODONG SINMUN CONDEMNS U.S. REFUSAL ON TROOPS

OW090756 Beijing XINHUA in English 0743 GMT 9 Feb 86

[Text] Pyongyang, February 9 (XINHUA) -- The Korean paper NODONG SINMUN in a commentary today condemned the United States for refusing to withdraw its troops from South Korea in order to prevent its alleged "threat of intruding into the South." The commentary was in response to U.S. Secretary Caspar W. Weinbergers recent speech in the Congress. Weinberger said that U.S. troops would continue to stay in South Korea which is a key area vital to American interests and that there exists the danger of a sudden attack by the North on the South.

The alleged "threat," the commentary noted, is used as a pretext by the United States to perpetuate its occupation of South Korea and legalize the U.S.-South Korea joint military exercises dubbed "Team Spirit-86". The commentary urged the United States to withdraw all its troops and nuclear weapons from the Southern part of Korea to facilitate the realization of a nuclear free and peaceful zone in the Korean peninsula.

KCNA REPORTS U.S. SR-71 OVERFLIGHT 6, 7 FEB

OW071924 Beijing XINHUA in English 1911 GMT 7 Feb 86

[Text] Pyongyang. February 7 (XINHUA) -- A U.S. high-altitude reconnaissance plane violated the airspace of the Democratic People's Republic of Korea (DPRK) today, the KOREAN CENTRAL NEWS AGENCY reported. The "SR-71" plane went into the airspace over the waters east of Kosong, in the eastern coastal province of Kangwon around noon and then flew to the airspace above the waters off Sonbong County, North Hamgyong Province.

Yesterday, two U.S. reconnaissance flights were made over the east and west waters of the country U.S. planes had increased reconnaissance missions on the Korean peninsula since the announcement in mid last month of staging the "Team Spirit-86" joint military exercise by the U.S. and South Korea. During the latest month, over 19 activities of such a kind were registered.

KCNA REPORTS KIM TAE-CHUNG'S LATEST HOUSE ARREST

OW090928 Beijing XINHUA in English 0859 GMT 9 Feb 86

[Text] Pyongyang, February 9 (XINHUA) -- Kim Tae-chung, a well-known democrat in South Korea, was placed under house arrest by police yesterday, according to a report of the KOREAN CENTRAL NEWS AGENCY. The 60-year-old democrat was notified by the local police yesterday that he was forbidden to leave his home to attend a luncheon hosted by his friend Kim Yong-sam to mark the first anniversary of his return from the United States.

This is the second time in 10 days this year, or eighth time Kim Tae-chung has been placed under house arrest since he returned to Seoul one year ago from two years' exile in the United States.

JAPAN DEBATES SUPPLYING DEFENSE DATA TO U.S.

OW071131 Beijing XINHUA in English 1041 GMT 7 Feb 86

[Text] Tokyo, February 7 (XINHUA) -- Japanese Defense Agency Director General Koichi Kato said in a debate yesterday that Japan may provide military information to the United States in the event of a war involving the U.S. in the Far East, according to press reports today. The debate was held in the Japanese lower house on whether or not supplying military information gathered by Japan's over-the-horizon radars to the United States violates Japan's Constitution.

In the debate, the opposition Komeito Party questioner Junya Yano said that because military information plays a vital role in modern warfare, the supplying of such information to U.S. forces would be tantamount to a "collective security" action which is banned under the constitution. Countering Yano's viewpoint, Kato said that it is possible for Japan to provide military information to the United States in the case of a military conflict involving the United States in the Far East even if Japan's national security is not immediately at stake. He said this would not fall into the definition of "collective security".

NAKASONE DEMANDS RETURN OF NORTHERN ISLANDS

OW071542 Beijing XINHUA in English 1518 GMT 7 Feb 86

[Text] Tokyo, February 7 (XINHUA) -- Japan marked its 6th "Northern Territories Day" Friday with country-wide rallies and a statement by Prime Minister Yasuhiro Nakasone demanding the return of the country's northern islands held by the Soviets since 1945.

Speaking to a 13,000-strong gathering in Tokyo including representatives of local governments, cabinet ministers and former inhabitants of the northern territories, the prime minister said that he felt regret at the fact that the four major northern islands, seized by the Soviet troops at the end of World War II, "have not been returned and remain under Soviet occupation." "This is an important issue touching the basic principles of the state," he said, adding that his government will try to resolve the problem, bearing in mind the will of the whole nation. "The reopening of negotiations to conclude a peace treaty (with the Soviet Union) is a step forward, but we are still on the starting line and there are many obstacles ahead," the prime minister said.

Nakasone, who tackled the territorial dispute with visiting Soviet Foreign Minister Eduard Shevardnadze last month, outlined again his government's positions concerning Tokyo-Moscow peace treaty negoaitions: to resolve the territorial issue, to complete the Japanese-Soviet peace treaty and to establish stable relations with the Soviet Union. Foreign Minister Shintaro Abe at the big gathering made his first "Northern Territories Day" speech after briefing on the recent consultations with his Soviet counterpart. The foreign minister also called for promotion of the movement for return of the northern territories. Similar rallies sponsored by local governments were held in all of the country's 47 prefectures to mark Friday's observation, designated by the cabinet in 1981 as "Northern Territories Day" to voice Japan's unswerving will for an early return of its northern islands.

DK ENVOY EVALUATES SIHANOUK'S GUANGDONG VISIT

BK070325 Beijing in Cambodian to Cambodia 1030 GMT 6 Feb 86

[Station correspondent's 5 February interview with Chan Youran, Democratic Kampuchean ambassador to the PRC, on 15-30 January visit to Guangdong Province by DK President Samdech Norodom Sihanouk and wife -- recorded]

[Text] [Chan Youran] First of all, allow me to thank you for coming here today to interview me on the recent visit to Guangdong Province by the samdech and his wife at the invitation of the PRC Government. This was an official friendly visit during which His Excellency Deputy Foreign Minister Liu Shuqing and his wife, myself and my wife, and many other Chinese and Cambodian friends accompanied the samdech.

I would like to inform you about this visit as follows:

Everywhere that the samdech president of Democratic Kampuchea and his wife visited, such as Guangzhou, Shenzhen, Zhuhai, Zhongshan, and Shude Cities, large numbers of Chinese people and the Chinese authorities at all levels gave them and their entourage a warm welcome. They joyfully and cordially welcomed the samdech president of Democratic Kampuchea, an old and great friend of the Chinese people and leaders -- former Chairman Mao Zedong and Premier Zhou Enlai and presently His Excellency Chairman Deng Xiaoping, His Excellency General Secretary Hu Yaobang, His Excellency President Li Xiannian, His Excellency Premier Zhou Ziyang, and Mrs Deng Yingchao. The Chinese friends welcomed the samdech sincerely and with a spirit of respect and love as their great friend and a brother from the same family. They particularly welcomed the samdech in his capacity as the president of Democratic Kampuchea and an outstanding and most valiant patriot who is leading the CGDK and our Cambodian people in their fight against the Vietnamese aggressors, expansionists, annexationists, and race exterminators. The party and state leaders in Guangdong Province praised the samdech for his patriotism and for conducting activities in the international arena in defending our nation against the Vietnamese aggressors. They expressed great joy at the victories scored successively by our people and National Army under the leadership of the CGDK, especially during the current 8th dry season at home and in the international arena. They regarded these victories as the victories of the Chinese people because the just struggle waged by the Cambodian people for defending their national independence and race is an important contribution to defending peace and stability in Southeast Asia and in the world.

The Chinese party and state leaders in Guangdong Province also stressed the resolute and unswerving support of the 60 million people in Guangdong Province as well as of the Chinese people throughout the country for the heroic struggle of our Cambodian people. Even if this struggle lasts for 10 or 100 years, this support will continue until the Cambodian people win total victory. The samdech and all members of the Democratic Kampuchean delegation were very moved by this statement. They will always be grateful to the Chinese people and the esteemed Chinese leaders.

Concerning the program of the visit, the Chinese friends arranged the program very well. The samdech and his wife visited various places and saw various new achievements, such as the modern agricultural industrial sites, kindergartens, [words indistinct], tourist centers, and beautiful places, as well as many trade and industrial exhibitions. The samdech and his wife also visited the film studios in Guangzhou and the South China Botanical Garden. The samdech and the Cambodian guests were very impressed by the talent and performance of the famous acrobatic group in Guangzhou.

In many places, Chinese friends organized performances by beautiful children and Chinese dancers for the samdech and his wife. The Democratic Kampuchean delegation led by the samdech was very happy to hear a song dedicated to the Chinese people and China composed by the samdech out of his love and friendly feelings toward the Chinese people and China.

In Zhongshan, the samdech and his wife visited the birthplace of President Sun Yat-sen who was one of the outstanding heroes of the Chinese people.

The visit was totally successful from beginning to end. The samdech, his wife, and all Cambodian guests were very impressed by the wonderful all-round progress in Guangdong Province, particularly in Shenzhen, Zhuhai, and Zhongshan Cities and Shunde County. I was very happy to see with my own eyes the great changes in all aspects in the Shenzhen and Zhuhai Special Economic Zones. In only 4 to 5 years, these economic zones and cities have become modern cities with advanced agriculture and industry, greatly improving the livelihood of the Chinese people in these areas. Before, the people in these areas were poor. Now, they are enjoying a better life, have proper housing and all household appliances, such as television, radio, sewing machines, washing machines, refrigerators, and even pianos in some houses. Workers, peasants, and fishermen in these areas enjoy a better life in general. They are very happy and satisfied with the new open door policy set forth by the 11th session of the third party congress in 1979. They are very proud of the socialist construction in accordance with China's special conditions being implemented by the Chinese party and government. This policy is bringing rapid changes to China, particularly in the agricultural, industrial, national defense, scientific, and technological fields.

In his own name and on behalf of the CGDK and Democratic Kampuchean delegation, everywhere he went, the samdech expressed the Cambodian people's praise and respect for this new policy and the great achievements made by the Chinese people in implementing this clear-sighted policy. This policy has enhanced the prestige and influence of the fraternal Chinese people and China in the international arena. China is the peace-loving force which defends peace in the world and opposes the aggressive and expansionist policy of the Vietnamese enemies and their boss -- the Soviet clique.

We are convinced that under the leadership of the Chinese party and government, China will progress more rapidly and the Chinese people will enjoy more happiness and prosperity. The samdech regarded these achievements of the Chinese people as the achievements of the valiant Cambodian people who are struggling for national liberation and the defense of the Cambodian race against the Vietnamese aggressors.

The samdech added that after liberation, the Cambodian people will certainly learn from the new policy and achievements made by the Chinese people.

I would like to inform you that Vice President Khieu Samphan sent a message to the samdech following this visit. In his message, the vice president expressed great joy at the success of the visit and the achievements made by the Chinese people and government in modernizing China and in this open-door policy of the PRC.

On this occasion, I would like to extend best wishes to all Chinese people on the Chinese new year. May all of you enjoy good health and success in every way. Thank you.

LI XIANNIAN HOSTS BANQUET FOR SIHANOUK

OW071514 Beijing XINHUA in English 1507 GMT 7 Feb 86

[Text] Beijing, February 7 (XINHUA) -- Chinese President Li Xiannian gave a banquet for Samdech Norodom Sihanouk, president of Democratic Kampuchea, and Madame Sihanouk at the state guesthouse here this evening. Li said he was pleased to have a get-together with the Kampuchean friends as the traditional Spring Festival was drawing near. Sihanouk thanked President Li for the dinner. He congratulated the Chinese people on their success in implementing the open policy and in the modernization program. He expressed appreciation of China's support to the Kampuchean people's just cause.

Present were President Li Xiannian's wife Lin Jiamei and State Councillor and Foreign Minister Wu Xueqian. Chou Kum Prang, widow of the late Kampuchean Prince Penn Nouth, and Sihanouk's mother-in-law Pemme Peang, also attended.

THAILAND PROTESTS LAO INTRUSIONS, KILLINGS

OW071538 Beijing XINHUA in English 1445 GMT 7 Feb 86

[Text] Bangkok, February 7 (XINHUA) -- Thailand today lodged a strong protest with Laos against the recent killing of five Thai villagers by Lao intruders. The protest was contained in an aide-memoire of the Foreign Ministry to Lao Ambassador Khamphan Simmalavong. The ambassador said he would pass it to his government.

The memorandum condemned the invasion of Lao soldiers on February 2 across the Mekong River into Ban Na Muang of Nam Yuen District, Ubon Ratchathani Province. The intruders fired at villagers there, killing five of them and wounding five others and damaging a number of houses. The latest action was contrary to the persistent statements by the Lao Government that it wanted to solve the Thai-Lao conflicts through peaceful means, said the Thai Foreign Ministry. Thailand recently took measures to improve its relations with Laos such as opening more border passes and relaxing restrictions on Thai goods sold to Laos.

THAILAND-LAOS BORDER SITUATION SAID 'TENSE'

OW081824 Beijing XINHUA in English 1500 GMT 8 Feb 86

[Text] Bangkok, February 8 (XINHUA) -- Tension has built up on the Thai-Lao border as Vietnam attempts to establish an Indo-China federation and lord it over Laos, Bamrung Khaorat, Thai commander of the Navy's Mekong River patrol unit said today. At the headquarters of the patrol unit in Nakhon Phanom Province opposite Laos, Bamrung said the Vietnamese have deployed a division of troops together with tank units in the border area along the Mekong River.

The Thai patrol unit is responsible for the defense of the 857-kilometer long border from Chiang Khan District Loei Province to Khong Chiam District, Ubon Ratchathani along the Mekong River. The Vietnamese troops frequently sent scouts across the border to carry out reconnaissance and sabotage activities. In early January this year, the commander said, Vietnam despatched some 30 men to do intelligence work in Thailand. The Soviet military aid to Laos is on the increase, Bamrung said. The Soviets have so far supplied Laos with 27 MiG fighters. They have recently decided to further provide Laos with 40 patrol boats, eight of them had already been delivered.

REPORTAGE ON PHILIPPINE ELECTIONS, RETURNS

Marcos Denies Manipulation

OW081909 Beijing XINHUA in English 1858 GMT 8 Feb 86

[Text] Manila, February 8 (XINHUA) -- President Ferdinand Marcos today denied charges that he would alter election results by delaying the counting of votes. His denial was in response to a statement of U.S. Senator Richard Lugar, head of the 20-member U.S. official observer team monitoring the poll, who said that election officials were "managing" or "manipulating" poll results by delaying their counting.

Marcos told a press conference here this evening that the ruling New Society Movement had no "malicious" or "mischievous" intention to delay the counting of votes. He said he may declare the election "invalid" should foreign observers perceive it to be fraudulent and he may either continue in office until his term expires in 1987 or call another election. He said he was unhappy with Senator Lugar's statement. Marcos said the returns sent by his partymen showed he was well ahead of his opponent Mrs. Corazon Aquino. He claimed if he lost, though it was "unthinkable", he would ensure to work for a peaceful transition.

Vote Counting 'Academic'

OW091644 Beijing XINHUA in English 1631 GMT 9 Feb 86

[Text] Manila, February 9 (XINHUA) -- Philippine Justice Minister Estelito Mendoza today said the individual tabulation of votes conducted by the Commission on elections (Comelec) and the National Movement for Free Elections (Namfrel) is already "academic" and "no longer needed", the PHILIPPINE NEWS AGENCY reported. He said the National Assembly has the sole authority to canvass the votes.

Mendoza who is also solicitor general said that for the Comelec and Namfrel to proceed tabulating would only tend to "mislead the people." Namfrel, a citizens' independent electoral watchdog group, has been publishing election returns which show the opposition candidate Corazon Aquino is leading Marcos while the Comelec returns indicate Marcos is seizing the lead. According to Mendoza, the official canvassing by the National Assembly will be bases in [as received] the proclamation of winners in the February 7 presidential election. At the same time, majority floor leader Jose Rono said the Legislative Assembly which is scheduled to conduct an official canvass of election certificates tomorrow afternoon can finish the job within 48 hours. Rono said in an interview with newsmen that the assembly would form a bi-partisan committee to take charge in the official canvass of election certificates. The committee will be composed of members of the ruling New Society Movement and the opposition United Nationalist Democratic Organization.

Serious 'Anomalies' Noted

OW091924 Beijing XINHUA in English 1837 GMT 9 Feb 86

[Text] Manila, February 9 (XINHUA) -- A group of international observers today said that the electoral anomalies in the February 7 polls in the Philippines were "serious" and "could have an impact upon the final result." The international observer delegation composed of 44 members from 19 countries made these remarks at a press conference this evening at the Manila Hotel.

In a written statement, the mission said it had seen some instances of "abuses" including vote buying, intimidation, snatching of ballot boxes, etc. "Of great concern are reports that thousands of voters -- particularly in the Manila area -- were not able to vote because their names were not on the registration list," it said. The statement also referred to the delay in dissemination of the election results and said the delegation would continue to study this problem and look for patterns to see "whether these delays result in shift of votes." A spokesman of the delegation said the members of the mission, who have a wide range of political and ideological viewpoints, had reached a "remarkable consensus" in evaluating the election in the country's 15 provinces they visited.

The delegation has come here to observe the election at the invitation of the Philippine ruling party and the opposition United Nationalist Democratic Organization. Co-leaders of the international observer delegation are Dr. Misael Pastrana, former president of Colombia, and John Hume, member of the British and European Parliaments representing the Social Democratic Party and the Labor Party. According to Mr. Hume, some members of the delegation will remain in the country until the counting phase is complete.

U.S. Observers Urge Fast Count

OW100750 Beijing XINHUA in English 0658 GMT 10 Feb 86

[Text] Manila, February 10 (XINHUA) -- The U.S. official delegation observing the Philippine presidential elections urged today the Commission on Elections (Comelec) and the National Movement for Free Election (Namfrel) to bring their electoral counts to a rapid and credible uniform conclusion. The U.S. delegation left here for home this morning and is to deliver an interim report to U.S. President Ronald Reagan.

In a written statement read at a press conference at Manila Hotel, Richard Lugar, chairman of the U.S. Senate Foreign Relation Committee and head of the delegation, said that during the processes of voting and vote counting they witnessed and heard disturbing reports about efforts to undermine the integrity of the election. "Even within the last twenty-four hours, serious charges have been made in regard to the tabulation system," it noted. The delegation also deplored all incidents of election related violence and intimidation. The delegation's mission as observers, the statement said, is by no means completed. They have directed teams from the U.S. Embassy, congressional staff and the Center for Democracy to monitor closely the efforts by Comelec and Namfrel to bring their electoral counts to a rapid and credible conclusion. They hope the current divergence between the count tallies by Comelec, an organ set up by the government, and Namfrel, an independent citizens' electoral watchdog group, will give way to a uniform electoral result that is broadly accepted by the Philippine people, the statement concluded. Namfrel has temporary recorded a lead of opposition candidate Corazon Aquino over President Marcos, while Comelec registered the opposite tally. Tallies of both Comelec and Namfrel, however, are not official. According to an announcement by Marcos, only the National Assembly is authorized to declare the final official count.

The U.S. delegation sent by President Reagan arrived here on February 5 at the invitation of Philippine President Ferdinand Marcos. It is composed of congressional leaders and private citizens. It was reported that the snap presidential election was held according to a proposal made by President Reagan to Marcos last year.

Marcos To Abide by Decision

OW100744 Beijing XINHUA in English 0705 GMT 10 Feb 86

[Text] Washington, February 9 (XINHUA) -- Philippine President Ferdinand Marcos said today that he had no intention of nullifying the results of the Friday election and that he would abide by the decision of the people.

Speaking in interviews with NBC and ABC televisions from Manila, Marcos said, "I have no intention of using my powers to win the election." He repeatedly denied allegations of vote rigging and said there was no "evil or malicious intent" on the part of the government. "I would not want to be returned to power by fraud," he added. According to earlier reports from Manila, Marcos said at a press conference late last night that he could nullify the results of the election, as the fraud charges continued to pour in.

Opposition candidate Corazon Aquino has claimed victory in Friday's hotly contested election in which both sides have accused the other of widespread cheating. Marcos, who is fighting for a fourth term, refused to acknowledge Aquino's claim. He said he is leading in the vote count, but that he will wait until the Parliament has officially tallied the results before making a declaration.

MORE HONG KONG RESIDENTS TO VISIT FOR FESTIVAL

OW071027 Beijing XINHUA in English 0856 GMT 7 Feb 86

[Text] Hong Kong, February 7 (XINHUA) -- About 1.5 million Hong Kong people are expected to go back for the 1986 Spring Festival in their native places and elsewhere on the mainland, XINHUA learned today. The number would exceed previous years.

Traffic and the customs authorities of Hong Kong and the mainland have already made preparations for the Hong Kong people who will go to mainland to see relatives and go sightseeing during the festival which falls on this Sunday.

Meanwhile, reports say 4,000 Hong Kong and Macao tourists are expected to visit Mount Lushan, a scenic spot in Jiangxi Province for the Lunar New Year, more than double last year's figure. Guilin City, another famous scenic spot of the country in south China's Guangxi Zhuang Autonomous Region, has already reported to have recieved its record figure of tourists from abroad.

CHINESE ARTS FESTIVAL BEGINS IN LONDON

OW080856 Beijing XINHUA in English 0833 GMT 8 Feb 86

[Text] London, February 8 (XINHUA) -- A two-week festival of Chinese arts is started here today as a colourful event to promote understanding among Londoners of current cultural and artistic movements in China as well as of the Chinese communities within their midst.

To celebrate the Chinese Spring Festival, the beginning of the Year of the Tiger, an exhibition of Chinese paintings, calligraphy and photographs is opened today at Smith's Galleries, near Covent Garden, with Chinese music and lion dance performance outside of it. Over the two week period from February 8 to 23, about 90 events, including exhibitions of toys and paintings, book display, first public showing of Chinese feature film "Wreaths at the Foot of the Mountain", as well as other feature and cartoon films, paper cutting, story telling, martial arts and cookery demonstration, have been organised in the City of London and eight London boroughs.

It is understood that the Festival of Chinese Arts '86, the first of its kind in the British capital, is organised primarily to bring to the people a presentation of popular modern Chinese arts. Much thought and energy has been given to the staging of the festival to draw together the talents and artistic skills from within the Chinese communities and promote the contribution they can make to the ark and cultural scene of London. The festival is funded and sponsored by Greater London Council's Ethnic Minorities Unit, Society for Anglo-Chinese Understanding, a non-governmental organisation which has been promoting understanding and friendship between the British and Chinese peoples over the past two decades, Great Britain-China Centre, a semi-official agency responsible for promoting Anglo-Chinese cultural exchange and contacts, and Neal Street East, a huge central London oriental emporium offering a vast hoard of goods from China. It has got support from the Chinese Embassy in London and a numbers of cultural and commercial institutions as well.

FRG'S GENSCHER ON U.S., USSR N-ARMS CURBS

OW090907 Beijing XINHUA in English 0705 GMT 9 Feb 86

[Text] Bonn, February 8 (XINHUA) -- Federal German Foreign Minister Hans-Dietrich Genscher told Der Sueddeutsche Rundfunk (radio) today that the United States and the Soviet Union might reach a temporary agreement on the elimination of medium-range missiles in Europe. Genscher spoke about the possibility after meeting Paul Nitze, special envoy to U.S. President Ronald Reagan. Nitze was sent to Europe yesterday to discuss the the U.S. European allies on how to respond to the latest Soviet proposal to eliminate nuclear weapons by the year 2000.

The reduction of medium-range missiles is reportedly considered as the key issue of the West's counterproposal. Genscher said that nobody else is more concerned over this U.S.-Soviet temporary agreement than West Germany, which is not only under the threat of the Soviet SS-20 missiles but also a country where U.S. missiles have been deployed. He had repeated the concern on several occasions, stressing the significance of eliminating Soviet and U.S. missiles in Europe to his country.

U.S. President Reagan yesterday suggested a plan calling for the elimination of U.S. and Soviet medium-range missiles in Europe and for cutting the Soviet SS-20 missile force in Asia by 50 percent. The plan accepts the Soviet proposal on the elimination of U.S. and Soviet missiles in Europe but fails to mention the U.S. commitment to the "star war" programs.

SPAIN TO PUT NATO MEMBERSHIP TO REFERENDUM

OW071507 Beijing XINHUA in English 1430 GMT 7 Feb 86

[Text] Madrid, February 6 (XINHUA) -- After a two-day heated debate on peace and security, the Spanish parliament passed a government motion to hold a referendum on March 12 on Spain's membership in the North Atlantic Treaty Organization (NATO), which it joined in 1981.

When Spain decided to enter NATO five years ago, the then opposition Socialist Worker's Party opposed Spain's entry into NATO. When the party won the national elections in 1982, it announced that the new government would freeze spain's entry into NATO military organizations and promised to hold a referendum to decide on Spain's continued membership in NATO. Because Spain has close political, military and economic relations with its NATO partners, it is easier for it to enter NATO than to quit it. But, with the national elections due this year, the ruling party wanted to demonstrate that it keeps its promises and proposed the promised referendum. The referendum will ask voters to decide whether Spain should remain in NATO provided it does not join NATO military organizations, prohibits nuclear weapons and reduces the number of U.S. troops stationed in the country.

During the parliamentary debate, Prime Minister Felipe Gonzalez supported Spain's continuation in NATO. He explained that he changed his opposition to Spain's entry into NATO after it had entered the organization and the European Economic Community. Now, he said, remaining in NATO is the most practical, geographical, political, economic and strategic choice for Spain. However, he vowed to quit NATO if his government lost the referendum. Spain would then keep its relations with the Western alliance through the Spanish-American agreement. The major opposition party Popular Alliance's stands for Spain's unreserved entry into NATO, including all its military organizations. It opposed the holding of a referendum and said it would refrain from voting. The right-wing opposition believes if it votes for the government's stand, it would imply agreement with all its foreign policies and thereby weaken its own strength in the general elections. The Spanish Communist Party and other left-wing parties are critical of Gonzalez's change of heart. Communist Party General Secretary Gerardo Iglesias told a press conference that Gonzalez was trying to threat on the electorate by suggesting that Spain's withdrawal from NATO would bring unpredictable dangers to the country. The press in general found Gonzalez's speech unconvincing, saying that it would not win over the electorate.

Despite the heat, Spain is likely to remain in NATO. According to recent polls, nearly half of the electorate agrees that Spain should remain in the organization. If, however, the electorate votes against Spain's continuation in NATO, Spain may begin the process which is likely to take a whole year. Observers believe that whether the general elections will be held earlier than scheduled or held as scheduled, the Socialist Workers' Party is likely to win on a platform of keeping Spain in NATO. Even if the opposition Popular Alliance wins, it will also support Spain's continuation of its NATO membership.

RENMIN RIBAO CONDEMNS ISRAELI INTERCEPTION

HK081202 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 8 Feb 86 p 6

[Short commentary: "Strongly Condemn Israel's Terrorist Move"]

[Text] On 4 February, four Israeli fighters unscrupulously intercepted and forced down a Libyan aircraft. The aircraft was detained and searched for 5 hours. This was another of Israel's brutal moves, wantonly trampling on the basic principles of international law and undermining the safety of international civil aviation services.

Israel carried out these illegal activities of intercepting and detaining the aircraft under the pretext of "opposing terrorist activities." Actually, under such a pretext, Israel has always used force to brazenly infringe upon the sovereignty and territorial integrity of other nations. In the past, it bombed the nuclear facilities of Iraq. On 1 October last year, taking the opportunity provided by an assassination in Cyprus, it launched a long-distance sneak attack on PLO headquarters in Tunis, killing and wounding many people. Less than 5 months after that, Israel intercepted a Libyan aircraft. All this only shows that Israel, which poses as a champion of "opposing terrorism," is provoking military terrorism in the Middle East. Those in power in Israel intend to take advantage of the struggle of various countries in the world against terrorism to conceal their brutal move. But their efforts are in vain.

The truculent and tyrannic acts of Israel have aroused public indignation all over the world. International public opinion, various countries in the Arab world in particular have strongly condemned Israel for committing such a crime. UN Secretary-General Javier Perez de Cuellar said that it was a "very serious incident." He condemned Israel for "severely violating the freedom of civil aviation." It is very clear that if the international community fails to stop such provocative acts by Israel, it will be impossible to ensure the order of international aviation communications.

Not long ago, Israel clamored to take revenge on Libya under the pretext of the airport attacks in Rome and Vienna. Obviously, Israel has ulterior motives for the most recent provocative move. Israel is currently facing severe domestic political and economic difficulties. It is trying to create international incidents to divert the attention of the people at home, hinder the easing of tension in the Mediterranean, and obstruct efforts to solve Middle East problems peacefully. All this cannot be tolerated by the international community.

PRC ENVOY MEETS YASIR 'ARAFAT IN BUCHAREST

OW091636 Beijing XINHUA in English 1629 GMT 9 Feb 86

[Text] Bucharest, February 9 (XINHUA) -- The Palestine Liberation Organization leader Yasir 'Arafat in a meeting with Chinese Ambassador Yu Hongliang here today informed the Chinese Government of the latest developments in the Middle East. 'Arafat, now on a visit in Romania, met with Romanian President Nicolae Ceausescu yesterday.

Recalling his Beijing trip last year, 'Arafat told the Chinese ambassador that the Palestinian people take China as their genuine friend and close comrade. Yu reaffirmed the Chinese Government's consistent stand in support of the Palestinian people's just struggle, including political struggle, to restore their national rights and to recover their lost homelands.

NEW ECONOMIC ORDER URGED AT TANZANIA MEETING

OW070928 Beijing XINHUA in English 0837 GMT 7 Jan 86

[Text] Dar es Salaam, February 6 (XINHUA) -- The Chinese delegate to the 25th Asian-African Legal Consultative Committee (AALCC) Ouyang Chuping said today that the only way to alleviate the developing countries' debt is to "restructure the irrational international monetary system and to establish the new economic order." Ouyang, who is also deputy director of the Department of Treaty and Law in the Chinese Foreign Ministry, told the 4th day session of the annual conference in Arusha, northern Tanzania that the debt problem is a critical issue in North-South relations.

According to statistics of the World Bank and the International Monetary Fund, the total external debts of developing countries increased from 610 billion dollars at the end of 1980 to 895 billion by the end of 1984 and are estimated to reach 970 billion by the end of 1985. Ouyang said that the creditor nations, commercial banks and the International Monetary Fund should help debtor nations service their debts through their economic development, instead of asking them to curtail outlays to repay their debts. The Chinese delegate urged the United States in particular to take effective measures to promote the development of debtor nations and to search for positive longterm solutions for the developing countries. He also asked developed countries to take into account the special needs and difficulties of the least developed countries, fulfill the targets for official development aid set by the U.N. and provide them with preferential trade terms to help improve their economic situation.

The week-long AALCC meeting opened on February 3 to discuss various international issues, including state jurisdictional immunity, the law of the sea and the status and treatment of refugees. The AALCC, a New Delhi based inter-government legal body for Asia and Africa, was formed in 1956.

SUDAN TO EXPORT CHROMIUM TO PRC, INCREASE TRADE

OW081944 Beijing XINHUA in English 1923 GMT 8 Feb 86

[Text] Khartoum, February 8 (XINHUA) -- Sudan is expected to export chromium to China with a view to increase trade volume between the two countries, a Sudanese official told XINHUA recently. Sudan is abundant in chromium deposit in its eastern mountanous region near the Red Sea. The manager of the Sudan mining company revealed that the present annual production of pure chromium is 15,000 tons and will be increased to 30,000 tons this year. It could reach 75,000 tons sometime later. It was reported that Sudan exported 45,000 tons of chromium ore to Romania and Switzerland last year.

CUI YUELI ATTENDS IRANIAN EMBASSY RECEPTION

OW080752 Beijing XINHUA in English 0713 GMT 8 Feb 86

[Text] Beijing, February 8 (XINHUA) -- Iranian Ambassador to China 'Ali Khorram gave a reception at the embassy here today marking the 7th anniversary of the victory of the Islamic Revolution in Iran. Chinese Minister of Public Health Cui Yueli and others attended.

LI XIANNIAN ADDRESSES SPRING FESTIVAL GATHERING

OW091321 Beijing XINHUA Domestic Service in Chinese 0800 GMT 9 Feb 86

[Speech by Li Xiannian on 9 February at Spring Festival gathering]

[Text] Beijing, 9 Feb (XINHUA) -- Comrades and friends: Today is a traditional Chinese festival day. Gathering together here, with just a cup of tea, we ring out the old year and ring in the new. We hope that in the new year people of all walks of life across the nation will carry forward the spirit of hard work, will build the country through thrift and hard work, will take our overall national situation into account, and will be of one heart and one mind, continuing to push work forward on all fronts.

We made tremendous achievements in the past year. Reforms were carried out faster than we originally estimated, and results were better than we expected. We strengthened macroeconomic control over economic development and gradually eliminated or curbed some factors causing instability. As a result, economic development has gradually normalized. The total national industrial output value increased 18 percent and, despite relatively frequent natural disasters, total agricultural output value increased 13 percent. Government revenues also grew 12 percent. Revenues and expenditures were balanced, and currency issued was less than planned at the beginning of the year. Last year's markets were prosperous, employment increased, and the people's living standards improved further. New improvements were also made in science, education, culture, public health, sports, and national defense. These are the results of hard work of people of all nationalities under the guidance of the party's correct policies; they are a new victory in the course of building socialism with Chinese characteristics.

The National Conference of Party Delegates, held by the CPC in September of last year, approved the "proposal of the Central Committee of the Chinese Communist Party for the Seventh 5-Year Plan for national economic and social development" and continued to replace old members of central leading organs. It was a meeting of historical significance. Comrades Hu Yaobang, Deng Xiaoping, Zhao Ziyang, and Chen Yun, all members of the CPC Central Committee Political Bureau, made important speeches at the meeting. In order to implement the spirit of the meeting, the CPC Central Committee Secretariat first asked the central and Beijing municipal organs to set an example by holding a meeting in January, attended by 8,000 cadres. Comrades on all fronts must conscientiously study the documents of the two meetings, unify their understanding, and devise effective courses of action for individual departments, localities, and units to solidly implement guidelines laid down by these meetings, thus faithfully carrying out the spirit of the meetings.

This year is the first of the Seventh 5-Year Plan. The Seventh 5-Year Plan and the 1986 annual plan will be submitted in March to the Fourth Session of the Sixth NPC for examination and approval. People of all nationalities must increase their enthusiasm and make concrete efforts to readjust investment patterns while strictly controlling the scale of fixed-asset investments, to further invigorate production work, to satisfy the needs of domestic markets and exports, to ensure good work in foreign trade and export, and to increase foreign exchange earnings. In addition, we must encourage people in urban and rural areas to increase savings and make concerted efforts to contribute to the four modernizations, so that we may ensure the fulfillment of this year's plan and make a good beginning in the pursuit of the entire Seventh 5-Year Plan. Regarding reform of the economic system, on the basis of the major advancements achieved last year, all sectors must coordinate with and take care of one another in striving to mend and reinforce weak links, in line with the principle of consolidation, assimilation, supplementation, and improvement. We must work meticulously for a year in order to make the best possible preparations for the next stage of reform.

All departments, all regions, and all units must strive to build both socialist spiritual civilization and socialist material civilization, shouldering these two burdens, and must achieve results in both of them. It is not the party's policy, nor the policy of building socialism, to grasp one and neglect the other. As a whole, economic achievements attained in the past few years have been outstanding. We have also improved party style and social conduct and strictly enforced the socialist legal system, but the progress has not been very satisfactory. We must on no account be totally absorbed in vocational work while neglecting politics. We must never tolerate corrosion by and spreading of decadent capitalist ideas, bourgeois liberalization ideas, and the residual poison of feudalism. Corrosion by these ideas and the remnants of feudalist poison have created grave consequences in some areas and units, interfering with construction, stability, reform, and opening up to the outside world. All fronts and organizations, and cadres at all levels, must pay special attention to these problems, and adopt effective measures to solve them. Party committees at all levels must improve ideological and political work through organizational means, strengthen education on the situation and on ideals, morals, culture, and discipline; strengthen education on the policy of carrying out reform and opening up to the outside world; strengthen education on state discipline and on discipline concerning external affairs; strengthen education on collectivism, patriotism, and socialist and communist ideas; and strengthen education on revolutionary traditions. We are fully convinced that the bright prospect of China's material and spiritual civilizations making progress and promoting each other will be realized so long as the whole party, governments at all levels, the PLA leading organs of all enterprises and institutions, all democratic parties and groups, all people's organizations, all workers and peasants in towns and in the countryside, teachers and students, and people of all nationalities throughout the country join in the effort.

Improving party style is key to improving general social conduct. In his speech at a meeting attended by 8,000 people, Comrade Hu Yaobang proposed that the central organs set good examples for the whole country. This actually means that he was calling on party cadres of the central organs, especially leading party cadres, to serve as good examples. Article 2 of the Constitution of the Communist Party of China says: "Members of the Communist Party of China are at all times ordinary members of the working people. Communist Party members must not seek personal gain or privileges, although they are allowed personal benefits and job functions and powers as provided for by the relevant regulations and policies." This must be observed unconditionally by every party member, whether he holds a high position or occupies a low one. Otherwise, he will fail to meet the requirements as a party member.

On this point, party cadres, especially leading cadres, must serve as a good example for the people of the whole country. The overwhelming majority of party cadres is good. A large number of model party members and model cadres emerged on all fronts; they are loyal to the socialist cause, work hard and responsibly, lead a plain life, are good at blazing new trails, and dare to struggle and make sacrifices, thus winning the confidence and respect of the people. These model party members and cadres, together with advanced personages outside the party, form the pillar of our style, ensuring steady progress in all fields of work including socialist construction, reform, national defense, foreign affairs, and social security.

However, in the past few years a few party cadres, including a few leading cadres, have been struck by the sugar-coated bullets of the bourgeoisie. These few have trampled on party discipline and violated the law, damaged the image of the party, and aroused the indignation and condemnation of the majority of party members, cadres, and patriotic people throughout the country. These black sheep must be dealt with promptly and severely, in line with party discipline and the law.

Communist party members, the masses of people, and, of course, members of democratic parties, and all patriots must exercise impartial supervision to make sure that party cadres abide by party discipline and the laws of the country. We must continue to strengthen socialist democracy and the socialist legal system. We must unfailingly abide by the law, enforce the law very strictly, punish lawbreakers without exception, and be perfectly impartial and selfless. This is very important to the smooth progress of socialist modernization and the successful building of the two civilizations.

Our country's economy has achieved rapid growth in the past few years, and the people's standard of living has improved in varying degrees. This is an objective fact known to the people of the world and brooks no doubts. However, China is still a developing country. Its economic system is not yet sufficiently strong; it will take more than 10 years of unrelenting efforts to achieve a relatively comfortably standard of living in this country. We must be united as one, be of one heart and one mind, and adhere to the policy of building the country through protracted hard work and thrift, attaching importance to both feeding the people and carrying out construction. Everyone must subordinate himself to the overall situation, give top priority to the interests of the state, and serve the people wholeheartedly. We must put an end to unlawful activities of transforming public property into that of a small group, of appropriating public property by graft and bribery, and of damaging the interests of the state and people. In doing anything, we must do it with great care and according to our capabilities; liberal budgeting and spending, and waste and extravagance are not permitted. We must oppose the idea and act of giving top priority to personal interests and money, of worshipping foreign things, of pursuing Westernization in everything, of seeking pleasure, and of consuming and eating up all we have. Criminal offenses such as corruption, theft, blackmail, extortion, speculation, bribery, smuggling, and swindling must be severely dealt with according to law. All party cadres must set a good example, work hard for the state and people without complaint, devote themselves entirely to serving the people, refrain from seeking personal gain and interests, and consistently carry forward the revolutionary and pioneering spirit of the Chinese nation of daring to surmount difficulties.

Internationally, we will continue our independent foreign policy of peace, further promote our friendly relations with other countries on the basis of the Five Principles of Peaceful Coexistence, expand our cooperation with all nations who work with China on the basis of equality and mutual benefit, strengthen our unity with all peace-loving people of the world, and strive to safeguard world peace.

We will also continue our efforts to promote the great cause of reunification of the mainland and Taiwan in whatever ways acceptable to both sides under the concept of "one country, two systems."

On behalf of the CPC Central Committee, the NPC Standing Committee, the State Council, the CPPCC National Committee, the Central Military Commission, the Central Advisory Commission, the Central Discipline Inspection Commission, the Supreme People's Court, and the Supreme People's Procuratorate, I herewith extend my warm festive greetings and cordial regards to workers, peasants, intellecturals, the vast numbers of cadres, and people of all circles of all nationalities; to the PLA commanders and fighters safeguarding our great motherland and the public security cadres and policemen maintaining social order; to all retired old comrades; to the young people and children on whom we pin our hopes for a glorious future of our motherland; to the compatriots in Taiwan, Hong Kong, Macao, and various foreign countries, and to the experts from various countries and foreign friends in China who have helped China develop its socialist modernization program. I wish you all a happy Spring Festival.

Gathering Detailed

OW091446 Beijing XINHUA Domestic Service in Chinese 1131 GMT 9 Feb 86

[Excerpts] Beijing, 9 Feb (XINHUA) -- More than 4,500 people from various circles in the capital attended a Spring Festival gathering this morning at the Great Hall of the People. Li Xiannian, member of the Standing Committee of the CPC Central Committee Political Bureau and president of the People's Republic of China, gave a speech at the meeting, urging people of all sectors to promote the spirit of working hard, to build the country through thrift and hard work, to subordinate themselves to the overall situation, and to be of one heart and one mind; continuing to push forward on all fronts in the coming year.

Li Xiannian, Deng Yingchao, Ulanhu, Xi Zhongxun, and other leading comrades happily shook hands with and extended their regards to PLA fighting heroes, responsible persons of various democratic parties, noted figures from various circles, retired old comrades, and foreign experts and friends in China. Bainqen Erdini Qoigyi Gyaincain presented a white scarf to Comrades Li Xiannian and Deng Yingchao. He said: "Today is also Tibetan New Year's Day; this is also the Year of the Tiger according to the lunar calendar used by the Zang nationality. Xizang has made remarkable progress in recent years under the guidance of the correct policies of the party and state. Therefore, I present a scarf to you to express the Tibetan people's gratitude." Li Xiannian and Deng Yingchao gladly wished that people of all nationalities would strengthen unity, make further progress, and score greater achievements in the coming year.

Sheng Qishun, Wei Changjin, and other heroes who had performed meritorious services in defending the motherland on the frontline in Yunnan walked up to Li Xiannian, Ulanhu, and other comrades to extend regards to them on behalf of the commanders and fighters on the Yunnan front. President Li Xiannian said: "We rely on you in defending socialist construction in the motherland and in defending the people's interests. The party, the motherland, and the people thank you for this." Vice president Ulanhu said: "You are an example for the people of the whole country. We have to learn from you. We would like to extend our regards to all comrades on the Yunnan front." Li Xiannian, Ulanhu, and other comrades happily autographed the invitation cards of Sheng Qishun, Wei Changjin, and other combat heroes as remembrances.

At 1000 Yao Yilin, member of the CPC Central Committee Political Bureau and vice premier of the State Council, declared the Spring Festival meeting open. President Li Xiannian began his address to enthusiastic applause. Also attending today's Spring Festival gathering were Fang Yi, Qiao Shi, Yang Dezhi, Wu Xueqian, Yu Qiuli, Hu Qiaomu, Qin Jiwei, Chen Muhua, Deng Liqun, Hao Jianxiu, Wang Zhaoguo, Bo Yibo, Wang Ping, Wu Xiuquan, Liu Lantao, Li Desheng, Xiao Ke, Lu Dingyi, Chen Xilian, Duan Junyi, Geng Biao, Ji Pengfei, Huang Zhen, Huang Huoqing, Cheng Zihua, Wang Hesbou, Han Guang, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Gu Mu, Zhang Jingfu, Wang Bingqian, Song Ping, Hong Xuezhi, Zheng Tianxiang, Yang Yichen, Yang Jingren, Kang Keqing, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Zhou Peiyuan, Burhan Shahidi, Fei Xiaotong, Qu Wu, Ma Wenrui, and He Changgong.

PARTY, STATE LEADERS EXTEND FESTIVAL GREETINGS

Deng Xiaoping, Wang Zhen in Chengdu

OW080929 Beijing XINHUA Domestic Service in Chinese 0743 GMT 8 Feb 86

[By reporter Wang Wenjun]

[Text] Chengdu, 8 Feb (XINHUA) -- Deng Xiaoping, member of the Standing Committee of the Political Bureau and chairman of the Advsiory Commission of the CPC Central Committee, attended a Spring Festival celebration gathering held by the Sichuan

Provincial CPC Committee and the Sichuan Provincial People's Government in Chengdu today. He was accompanied on the trip by Wang Zhen, vice chairman of the Advisory Commission of the CPC Central Committee.

With bamboo turning green, spring is very much in the air and there is vigor and vitality everywhere in Chengdu in the early spring. When Comrade Deng Xiaoping and his party, accompanied by Secretary of the Sichuan Provincial CPC Committee Yang Rudai and other Sichuan officials, arrived at the gathering at 0930, the participants there burst into warm applause. Comrade Deng Xiaoping waved again and again to those present and wished the Sichuan people a happy Spring Festival.

Sichuan Governor Jiang Minkuan spoke at the gathering. He said: We are very happy that Comrades Deng Xiaoping and Wang Zhen have come to Sichuan to spend the Spring Festival with us. He said that the people in Sichuan would surely work hard as one under the leadership of the party Central Committee and the State Council to win success in the first year of the Seventh 5-Year Plan.

Before the gathering, Deng Xiaoping and Wang Zhen received local party, government and military leaders, responsible persons of democratic party organizations in Sichuan, and representatives of PLA combat heroes, teachers, workers, peasants, and students.

Some 600 people were present at the gathering. They included responsible persons of Sichuan Province, Chengdu City, and the Chengdu Military Region; members and alternate members of the CPC Central Committee, members of the Central Advisory Commission, members of the Central Discipline Inspection Commission, NPC deputies, and members of the CPPCC National Committee, residing in Sichuan; and representatives of various circles. Literary and art workers of Sichuan Province and Chengdu City gave a brilliant performance at the gathering.

Hu Yaobang on Provincial Tour

OW080630 Beijing XINHUA Domestic Service in Chinese 0110 GMT 9 Feb 86

[By reporters Hong Jian and Liu Yangshen]

[Text] Guiyang, 9 Feb (XINHUA) -- Hu Yaobang, general secretary of the CPC Central Committee, joined the people of various nationalities in Xingyi, capital of Guizhou's Qianxinan Bouyei-Miao Autonomous Prefecture, surrounded on all sides by mountains, in a happy Spring Festival get-together. While meeting the autonomous prefecture's cadres and people of various nationalities and all walks of life on the evening of 7 February, he extended his Spring Festival greetings to the people of Qianxinan Prefecture on behalf of the party Central Committee. He also called on people of various nationalities of the entire prefecture to unite and work hard and achieve even greater results in the new year and during the Seventh 5-Year Plan period in building an even better Qianxinan.

Leading a 30-member study group formed by cadres at all levels from the 27 departments of the central organs, Comrade Hu Yaobang left Beijing on 4 February on an inspection tour in the impoverished areas in Guizhou, Yunnan, and Guangxi. He arrived in Guizhou's Xingyi from Yunnan's Luoping County on 7 February.

On 8 February, Hu Yaobang first arrived at the Qianxinan Nationalities Teachers College to extend Spring Festival greetings to the teachers. He also held a forum with them.

Then with high spirits, he arrived at a mountain village of Bouyei nationality people and visited several peasant families. He cordially chatted with them and inquired about their production and living conditions. Upon hearing that the general secretary had arrived, men and women, young and old, gathered at the village entrance to warmly welcome Comrade Hu Yaobang. Huang Weigang, a Bouyei peasant and a provincial labor model, invited the general secretary to lunch at his home. Complying with the customs of the Bouyei people, Comrade Hu Yaobang ate a family reunion dinner with the eight members of Huang Weigang's family amidst conversation and laughter. In the afternoon, Hu Yaobang traveled over 100 kilometers by car and arrived at the construction site of Tianshengqiao hydropower station, a major state project. There he extended Spring Festival greetings to the staff and workers of the ninth engineering bureau of the Ministry of Water Resources and Electric Power as well as to the commanders and fighters of the first water resources and electric power battalion of the armed police brigade who insisted on continuing their construction work during the Spring Festival holidays.

Since 4 February, Comrade Hu Yaobang has inspected a number of areas and counties in the mountain prefectures of Qianxi, Qiandongnan, and Qianxinan and has heard work reports from local leaders along the way. On the afternoon of 7 February, while inspecting Luoping County in Yunnan, he joined about 400 people of the Miao, Bouyei, Yi, and Han nationalities in a mass Spring Festival get-together. He happily joined hands with the people of various nationalities to form a circle and joined them in a happy dance for the "great unity of nationalities" in a plaza covered with green pine needles.

Accompanying Comrade Hu Yaobang in his inspection tour were Hu Jintao, secretary of Guizhou Provincial CPC Committee; Wang Chaowen, governor of Guizhou Province; and Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee.

Dividing into three groups, the inspection group led by Comrade Hu Yaobang left for the impoverished areas respectively in northwestern Guizhou, southeastern Yunnan, and northwestern Guangxi on 5 February to discuss with local cadres and masses measures to develop production, eradicate poverty, and become affluent, and to extend their Spring Festival greetings to the local people of various nationalities.

Xi Zhongxun, Li Peng at Party

OW072340 Beijing XINHUA Domestic Service in Chinese 1257 GMT 7 Feb 86

[By reporter He Ping]

[Text] Beijing, 7 Feb (XINHUA) -- Party and state leaders had a happy get-together today with leaders of various democratic parties, personages without party affiliations, and noted people of all walks of life to mark the Spring Festival.

Festooned with lanterns and decorations, the hall of the United Front Work Department of the CPC Central Committee was in a festive mood this morning. Present at the party were Xi Zhongxun and Li Peng, members of the Political Bureau of the CPC Central Committee; Bo Yibo, vice chairman of the Central Advisory Commission; Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Bainqen Erdini Qiogyi Gyaincain, Zhou Gucheng, and Rong Yiren, vice chairmen of the NPC Standing Committee; and Yang Jingren, Cheng Zihua, Hu Ziang, Qian Changzhao, Burhan, and Fei Xiaotong, vice chairmen of the CPPCC National Committee. When they arrived in the hall, they warmly shook hands with everybody and exchanged greetings.

Addressing the party, Bo Yibo wished a happy festival, health, and longevity to the leaders of the Revolutionary Committee of the Chinese Kuomintang, the China Democratic League, the China Democratic National Construction Association, the China Association for Promoting Democracy, the Chinese Peasants and Workers Democratic Party, the China Zhi Gong Dang, the Jiusan Society, the Taiwan Democratic Self-Government League, the All-China Federation of Industry and Commerce, the All-China Federation of Taiwan Compatriots, and the All-China Association of Vocational Education; personages without party affiliations, and noted personages of ethnic and religious circles.

He said: In 1985 our country made new strides in reform. On the whole, the situation in 1985 was fine. This can be seen by the achievements in three areas: First of all, people throughout the country supported the party's correct lines, principles, and policies, which won a favorable response both at home and abroad. Second, new headway was made in economic reform, and the living conditions of people in cities and rural areas were improved in various ways. Third, the party and the country had never been so united before. We should say that these successes had everything to do with the wisdom and efforts of people of all democratic parties and people without party affiliations.

Bo Yibo said: Comrade Deng Xiaoping has stressed that, while opening up to the outside world and enlivening the domestic economy, we must also strike at economic crime. We must do a good job in promoting socialist ethics and improving party conduct. I hope party and nonparty members will help each other, show utter devotion to each other, and share weal and woe. I particularly hope that members of noncommunist parties will continue to give us suggestions to help us improve our work. Let us work hard together to achieve our magnificent plan during the new year.

On behalf of Deng Yingchao, chairman of the CPPCC National Committee, Yang Jingren extended cordial festive greetings to all present at the party. He also wished everybody health, longevity, a successful career, and happiness.

Speaking at the meeting, Hu Ziang said that all democratic parties and mass organizations should do their work even better with one heart and one soul under the CPC leadership.

Yang Mingfu, head of the United Front Work Department of the CPC Committee, chaired today's tea party, during which entertaining performances were staged by literary and art workers who are members of various democratic parties.

Xi Zhongxun Visits Retired Leaders

OW081448 Beijing XINHUA in English 1439 GMT 8 Feb 86

[Excerpt] Beijing, February 8 (XINHUA) -- Leading members of the Central Committee of the Chinese Communist Party respectively called on some retired senior leaders in Beijing on the eve of the Spring Festival.

Xi Zhongxun, a member of the party Central Committee Political Bureau, Wang Zhaoguo, a member of the party Central Committee Secretariat, and Wang Heshou, second secretary of the party Central Commission for Discipline Inspection, visited Marshals Ye Jianying, Liu Bocheng and Nie Rongzhen as well as other retired veteran revolutionaries Huang Kecheng and Cai Chang.

Yang Shangkun in Fujian

OW100215 Beijing XINHUA Domestic Service in Chinese 1208 GMT 9 Feb 86

[By reporter Xu Ming]

[Text] Fuzhou, 9 Feb (XINHUA) -- Yang Shangkun, member of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission, attended Spring Festival celebrations for leading party, government, and military comrades in Fuzhou today. He extended Spring Festival greetings to the servicemen and people in Fujian Province on behalf of the CPC Central Committee and the Central Military Commission.

The jubilant sound of firecrackers reverberated above Fuzhou City on New Year's Day. Accompanied by Xiang Nan, secretary of the Fujian Provincial CPC Committee, Yang Shangkun entered the celebration hall to meet with the participants at 0830. He praised Fujian's achievements over the past several years. He said: Being one of the provinces with the largest number of Overseas Chinese and being the nearest province to Taiwan, I hope that Fujian will continue to do well the work on Overseas Chinese and Taiwan compatriots and to attaract more overseas technology, funds, and qualified personnel to promote still greater local economic development.

Yang Shangkun also told comrades attending the party: Leaders at various levels in Fujian Province have done voluminous work in assisting military construction. The Fujian provincial party committee and the provincial government in particular have contributed much effort toward assisting the military units in the reduction in strength and reorganization of the Army and placing retired veteran comrades. He expressed the hope that the retired veteran comrades of the party, the government, the military in Fujian Province would continue to play the role of assisting the Fujian Provincial Party Committee improve its work. After the party, Yang Shangkun joined the masses at Fuzhou's Xihu Park to celebrate the Spring Festival.

On 8 February, Yang Shangkun also received leading cadres at or above the army level of PLA units stationed in Fuzhou and retired veteran comrades and wished them a happy festival and good health.

Peng Zhen Tours Zhejiang

OW090140 Beijing XINHUA Domestic Service in Chinese 1414 GMT 8 Feb 86

[Text] Hangzhou, 8 Feb (XINHUA) -- Peng Zhen, member of the CPC Central Committee's Political Bureau and chairman of the NPC Standing Committee, today attended the Spring Festival gathering sponsored by the Zhejiang Provincial CPC Committee and people's government. He also visited the fighters of a certain armed police unit guarding the Qiantang Jiang Bridge.

Holding a cup of tea and smiling at the Spring Festival gathering, this morning, he wished the over 400 cadres present a happy Spring Festival. He said: "Just as in the whole country, the situation in Zhejiang was very good last year." In high spirits, he and all others then watched Shaoxing opera, light music, and excerpts of other operas presented by Zhejiang's literary and art workers.

Also attending this gathering were Jiang Hua, member of the Standing Committee of the CPC Central Advisory Commission, and Chen Zuolin, secretary of the CPC Central Discipline Inspection Commission. Leading comrades of Zhejiang provincial party, military, and government organizations also attended the gathering.

At 1600 Comrade Peng Zhen visited the armed police commanders and fighters guarding the Giantang Jiang Bridge. He was accompanied by Wang Fang, secretary of the Zhejiang Provincial CPC Committee. After hearing a briefing on this unit's promotion of spiritual civilization, he said: "You have been working very hard. We now wish you a happy new year. The mission of armed police is extraordinary. You are indispensable to the construction of the motherland and to the people. I hope you carry forward the tradition of serving the people wholeheartedly and do an even better job of protecting the four modernizations."

Wan Li Praises Tianjin Cadres

OW080515 Beijing XINHUA Domestic Service in Chinese 1547 GMT 7 Feb 86

[By reporter Ma Jie]

[Text] Tianjin, 7 Feb (XINHUA) -- Wan Li, member of the Political Bureau and Secretariat of the CPC Central Committee and vice premier of the State Council, today attended a Spring Festival soiree in Tianjin to support and give preferential treatment to the Army and to support the government and cherish the people; he extended his Spring Festival greetings to the armymen and people attending the soiree.

Before the soiree began, Comrade Wan Li met with veteran cadres in Tianjin who had retired, model workers, and representatives of heroes and martyrs' dependents of PLA units stationed in Tianjin. He told the veteran cadres who had retired: It is hoped that you will actively participate in various sports activities, keep yourselves healthy, and at the same time, make contributions to reforming the economic structure. Comrade Wan Li also shook hands with Liu Dugang, a cleaning worker of the Hebei regional environmental protection bureau and Xu Fengying, a worker of the Jiangdu road housing administration in Tianjin City who was praised as a "national model worker in the exchange of housing assignments." He wished them even greater success.

Attending the soiree were Secretary Ni Zhifu of the Tianjin Municipal CPC Committee, Mayor Li Ruihuan, and others.

Yu Qiuli Hails Beijing PLA

OW080432 Beijing XINHUA Domestic Service in Chinese 1308 GMT 7 Feb 86

[By reporters Huang Zhimin and Gai Yumin]

[Text] The leading comrades of the Ministry of Civil Affairs and Beijing Municipality held separate forums today with leading comrades of leading organs of PLA units stationed in Beijing and the headquarters of the Chinese People's Armed Police Force to exchange Spring Festival greetings. The armymen and the people are determined to do a good job in supporting the Army and cherishing the people in the new year and make new contributions to strengthening unity between the Army and the government and between the armymen and the people.

Yu Qiuli, member of the Political Bureau of the CPC Central Committee, and director of the PLA General Political Department, attended the forum to foster unity between the Army and the government and build spiritual civilization with the joint efforts of the armymen and the people -- a forum sponsored by the Beijing Municipal CPC Committee, the municipal government, and leading organs of PLA units stationed in Beijing. He also delivered a speech at the forum.

He said: In recent years, the armymen and people in the capital have earnestly implemented the instructions issued by the party Central Committee and have scored remarkable achievements in building socialist material and spiritual civilizations. This is an achievement by people of all walks of life in the capital as well as the commanders and fighters of PLA units stationed in Beijing. He emphatically pointed out: Being the capital, Beijing is the site of the party Central Committee. To strengthen unity between the Army and the government and between the armymen and the people and to develop the two types of civilization in the capital is of great significance to the whole country. Particularly, this is the first year of the Seventh 5-Year Plan and an important year to bring about a fundamental turn for the better in party style as pointed out by the party Central Committee. The armymen and the people in the capital must further strengthen unity, work with concerted efforts, carry out their work well in the capital, and build the capital into a first-class civilized city in the country as soon as possible.

At the forum, leading comrades of Beijing Municipality Li Ximing, Chen Xitong, Jiao Ruoyu, and Jin Jian joined leading comrades of the PLA's three general headquarters Xu Huizi, Zhou Wenyuan, Zong Shunliu, and others in reviewing gratifying results attained by the armymen and the people in supporting the Army and giving preferential treatment to military dependents, in supporting the government and cherishing the people, and in building socialist spiritual civilization with the joint efforts of the armymen and the people.

At the forum sponsored by the Ministry of Civil Affairs and the three PLA headquarters, comrades from the Ministry of Civil Affairs highly praised the commanders and fighters of the PLA and the armed police forces for their outstanding achievements in active support of national construction and the two types of civilization while triumphantly fulfilling the tasks of strengthening national defense, conducting military training, and safeguarding the security of the people. The comrades from the three PLA general headquarters and the headquarters of armed police forces thanked the local government and departments of civil affairs at all levels for their concern for and support of the Army and armed police forces. Attending the forum were Cui Naifu, Yang Chen, Zhang Ming, He Qizong, Zhou Wenyuan, Zhang Bin, Li Lianxiu, and others.

Chen Yun, Li Peng With Teachers

OW092023 Beijing XINHUA Domestic Service in Chinese 1150 GMT 9 Feb 86

[By reporter Zou Aiguo, Yu Jiafu]

[Text] Beijing, 9 Feb (XINHUA) -- Extending his festive greetings to a group of kindergarten, secondary, and primary school teachers, Chen Yun, member of the Standing Committee of the Political Bureau of the CPC Central Committee, said today that making primary and secondary education a success is a cardinal project having an important bearing on improving the quality of the Chinese people. He said: "The responsibilities on the shoulders of kindergarten, secondary, and primary school teachers are heavy, their profession is noble, and they should have the people's respect."

Comrade Chen Yun cordially met with nine representatives of Beijing's primary and secondary schools and kindergartens at his residence at 1000 this morning. He said: "Today is the Spring Festival. I am very glad to be able to spend this traditional festival with you, representatives of outstanding teachers. Allow me to extend my festive regards to you and all other teachers and personnel working on the nation's educational front!" Also present at the meeting was Li Peng, member of the Political Bureau and Secretariat of the CPC Central Committee, vice premier of the State Council and concurrently minister in charge of the State Education Commission. The cordial talks with the teachers' representatives were often interrupted by laughter and warm applause.

The nine teachers were: Tao Xiping, principal of Beijing Middle School No 12; Wang Bilin, a teacher of the teaching research office of Beijing's Chongwen District Education Bureau; Ning Hongbin, a teacher of Beijing Middle School No 80; Wang Qixian, vice principal of Beijing Experimental Primary School No 1; Zhou Sujun, a teacher of Beijing's Tongzhen Jinjia Lane Primary School; Wang Jifen, head of Beijing's Dongcheng District Donghuamen Kindergarten; Tang Shaozhen, a lecturer of Beijing Teacher Training School No 3; Wei Xiaolong, a teacher of Beijing Middle School No 41; and Qian Yao, acting principal of Beijing's Huangzhuang Vocational Middle School.

Wang Qixian, an 80-year-old special classification teacher who has been teaching for 60 years, was the first to speak at the meeting. He said: All social quarters care for teachers of the people. As teachers, we should respect and care for ourselves, make ourselves more proficient, and prove ourselves with actual deeds. Tao Xiping, a Beijing special class model worker for 1985 and a winner of Beijing's Teacher's Award, reported on his school's educational reform and its work-study program. He said: The four modernizations are in need of proficient personnel, who must be trained, and training requires teachers. As teachers, we must work hard to shoulder the responsibilities of the day.

While listening to their speeches, Comrade Chen Yun frequently expressed his approval by saying: "You are right!" He said: "Primary and secondary school teachers and kindergarten teachers are hard-working 'gardeners' on the educational front. You have been working diligently without complaints for decades, and you have trained large numbers of personnel for our country's socialist construction. The people, as well as the party and the state, are thankful for your contributions, which are closely related to our great country's prosperity."

Comrade Chen Yun said: "The Spring Festival symbolizes the beginning of spring. 'When a new cycle begins, everything looks fresh and gay.' During the new year, we must, while consolidating and developing achievements in our material construction, work hard to intensify our socialist spiritual construction. Our schools are important places for imparting cultural, scientific, and technical knowledge, as well as places for training people needed in building a socialist society. They are also important bastions for socialist spiritual construction. Primary and secondary education, as well as kindergarten education, is basic education. We must not fail in making it a success."

Wang Jifen, a special classification teacher, and Ning Hongbin, winner of Beijing's Teacher's Award in 1985, pointed out at the meeting that the improvement of teaching quality consists in educating students as well as making teaching more effective, and that the proportion of students entering higher level schools should not be regarded as a substitute for the proportion of students becoming useful. Comrade Chen Yun praised their good ideas.

Comrade Chen Yun said: "The students of secondary and primary schools today will become successors to our magnificent socialist modernization drive. Their thinking, and whether or not they can shoulder the historical burden in the future, has a close relationship with the education they receive in primary and secondary schools. This is to say that, to a certain degree, the performance of our country's kindergarten, secondary, and primary school teachers will determine China's situation in the 21st century."

The more they talked, the more excited the teachers became; and since everyone wanted an opportunity to speak, the meeting proceeded in a very lively manner. When 29-year-old Wei Xiaolong, the youngest of the nine teachers, presented a glittering medal which he won for being a model worker in Beijing to Comrade Chen Yun, Comrade Chen Yun received it with a smile of satisfaction.

Comrade Chen Yun then urged everybody to do his job well. He said: "During the new year, I hope every kindergarten, secondary and primary school teacher will continue to display the spirit of working without regard for fame or benefit, love their work, love the students, strive to heighten their political consciousness, make themselves more competent, be worthy of the name of teacher, do what is right, work in a down-to-earth manner, and be dedicated to the great socialist educational cause."

During the conversations, the teachers also presented their opinions regarding restructuring the educational system and solving the problems of schools and teachers. Comrade Chen Yun said: "Party and government organizations at all levels must care for teachers, help them solve some real problems, and create even more favorable working and living conditions for teachers." Comrade Li Peng indicated that the State Education Commission would seriously study the teachers' opinions. Toward the end of the meeting, Comrades Chen Yun and Li Peng posed for a picture with the teachers.

Hu Qiaomu Encourages Publishers

OW080032 Beijing XINHUA Domestic Service in Chinese 1254 GMT 7 Feb 86

[By reporter Yang Qing]

[Text] Beijing, 7 Feb (XINHUA) -- Hu Qiaomu, member of the CPC Central Committee's Political Bureau, called on cadres and workers at the Beijing Publishing House, the Wang Fukai Xinhua Bookstore, the Beijing printing plant No 1, and the Beijing municipal newspaper retail company on 4 and 7 February. He expressed his gratitude for their hard work in building the socialist spiritual civilization.

In a discussion with the responsible comrades of these units, Hu Qiaomu siad: In building socialist spiritual civilization, it is necessary to do a good job in publication, printing, and distribution, which are important tasks of the nation. He urged them to bring out their pioneering spirit; overcome difficulties; work out more strategies; adapt their products to the enw situation; and actively promote the development of publication, printing, and distribution in order to satisfy the needs of society.

Chen Muhua At Market, Bank

OW090218 Beijing XINHUA Domestic Service In Chinese 0808 GMT 8 Feb 86

[By reporter Qiu Yuan]

[Excerpts] Beijing, 8 Feb (XINHUA) -- Chen Muhua, alternate member of the Political Bureau of the CPC Central Committee and state councillor, and Wang Bingqian, state councillor, visited the Zhaonei food market in Beijing. Following the jostling crowd, they walked to various counters to convey their regards and extend their Spring Festival greetings to sales clerks.

The Zhaonei food market was packed with nonstaple food from over 10 provinces and cities. There were 800,000 jin of vegetables alone. For the past few days, workers and staff of the food market have worked over 10 hours a day busily selling food for the Spring Festival. Comrade Chen Muhua spoke to the manager of the food market. She said: Sales clerks work very hard. The party Central Committee and State Council are concerned about you. They have asked us to convey their greetings. Food marketing is a major trade of tertiary industry. It is indispensable to everyone. It is hoped that you will give even better service in the new year.

Wang Bingqian suggested that a bulletin board be put up in the food market to regularly propagate the state commercial and price policies and to explain why some commodities are in short supply or in surplus and why the prices of some commodities fluctuate so much. All this should be considered fine ideological work.

After visiting the food market, Chen Muhua and Wang Bingqian went to the Dongsi branch of the Beijing Municipal Bank of Industry and Commerce to greet the bank clerks and staff who were working hard there. Chen Muhua spoke to a responsible person of the bank branch. She said: The workers and staff in the field of finance made remarkable contributions to promoting stability and developing the favorable situation in 1985. During this year, we must continue to strengthen and improve the control of macroeconomic activities while invigorating microeconomic activities. It is necessary to improve services aimed at increasing the amount of savings deposits, to make rational use of funds in carrying out reforms, and to turn the bank into an effective lever in readjusting the national economy. She also suggested that more deposit boxes be set up so that the people can make deposits more conveniently.

Chen Pixian Visits Shanghai

OW081921 Shanghai City Service in Mandarin 0100 GMT 8 Feb 86

[Text] Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee, visited the office of the Shanghai Municipal People's Congress Standing Committee on the morning of 7 February. He called on the comrades of the Municipal People's Congress Standing Committee and held a cordial discussion with them. Chen Pixian first gave them his regards and wished them a happy Chinese New Year.

He said: Shanghai is an industrial, banking, scientific and technological, and cultural center of China. The work of the Shanghai People's Congress Standing Committee is very important. I hope that you will seriously do your work well and fulfill the duties assigned you by the Constitution and other laws.

Chen Pixian in Jiangsu

OW100030 Beijing XINHUA Domestic Service in Chinese 1507 GMT 9 Feb 86

[Text] Beijing, 9 Feb (XINHUA) -- On 9 February Chen Pixian, member of the CPC Central Committee Secretariat and vice chairman of the NPC Standing Committee, joined the people of Changzhou City in Jiangsu Province in celebrating the Spring Festival.

Chen Pixian; Han Peixin, secretary of the Jiangsu Provincial CPC Committee; and Chu Jiang, chairman of the Jiangsu Provincial People's Congress Standing Committee, went to Lihua Village in Changzhou City this afternoon. They visited workers' homes, inquired about their work and livelihood, and extended festival greetings. Chen Pixian took part in Spring Festival celebrations held in Changzhou City in the evening.

Wang Renzhong and Han Xianchu, vice chairmen of the NPC Standing Committee, currently on an inspection tour in Wuhan, celebrated the Spring Festival with local servicemen and the people in Wuhan City in Hubei Province today.

Hao Jianxiu Helps Market Sales

OW080533 Beijing XINHUA Domestic Service in Chinese 1501 GMT 7 Feb 86

[By reporter Li Anding]

[Text] Beijing, 7 Feb (XINHUA) -- Hao Jianxiu, member of the Secretariat of the CPC Central Committee, went to the bustling Chongwenmen food market in Beijing on the afternoon of 7 February. Skillfully operating an electronic scale, Comrade Hao Jianxiu enthusiastically helped the buyers with their purchases. She helped a middle-aged woman put a couple of plump and tender chickens into a string bag. The buyers roared with laughter when she said: With an ample supply of goods for this Spring Festival and the extended hours of food markets, you need not worry about buying satisfactory Spring Festival goods.

Hao Jianxiu learned that the salesclerks at the Chongwenmen food market had lately been working overtime, at times 12 to 13 straight hours in a single day. She cordially said to the salesclerks: The party and the people are grateful for the hard work of comrades on the commercial front in ensuring a brisk market and abundant supply. We are here to help you sell Spring Festival commodities as well as to extend advance new year greetings to commercial personnel working during the Spring Festival in various parts of China.

Zhang Aiping Meets Scientists

OW071049 Beijing Domestic Service in Mandarin 1200 GMT 6 Feb 86

[Text] Zhang Aiping, deputy secretary general of the Central Military Commission, received, on the afternoon of 6 February at the command center of the National Defense Science, Technology, and Industry Commission, scientists, specialists, and counsellors engaging in the development and production of China's communications and broadcast satellites, and extended Spring Festival greetings to them and the counselling personnel who had stood fast at their fighting posts. A letter from Nie Rongzhen to Zhang Aiping after the successful launch of the communications and broadcasting satellite was read to the meeting.

CIRCULAR OUTLINES TRANSFER OF ARMED FORCES

OW082057 Beijing XINHUA Domestic Service in Chinese 0815 GMT 8 Feb 86

[Text] Beijing, 8 Feb (XINHUA) -- The work of transferring county (city) people's armed forces departments to the local organizational system will begin soon in line with the plan of Army structural reform, administrative streamlining, and reorganization. The CPC Central Committee, State Council, and Central Military Commission recently issued a circular urging local party committees, governments, and military districts at all levels to exercise effective leadership in successfully carrying out the task of transferring people's armed forces departments to the local organizational system.

To ensure that the work of transferring county (city) people's armed forces departments to the local organizational system will be carried out smoothly, the CPC Central Committee, State Council, and Central Military Commission drew up "regulations concerning questions related to the transfer of county (city) people's armed forces departments to the local organizational system."

The document points out: After county (city) people's armed forces departments are transferred to the local organizational system, working personnel of these departments, while their responsibilities remain unchanged, will become local staff, subject to the dual leadership of local and military authorities. This is a correct policy decision based on the overall interests of national economic construction and military building and is conducive to the plan of relying on local party committees and governments for carrying out militia and reserve service work well. The document provides explicit stipulations on the organizational setup; leadership relations; work responsibilities; selection, allocation, and training of cadres; their wages, benefits, and uniforms; and the source and management of people's armed forces departments funds affiliated with the local organizational system. This fully shows that the CPC Central Committee, State Council, and Central Military Commission are concerned with and take people's armed forces work seriously.

The documents points out: After transfer into the local organizational system, cadres of the people's armed forces departments should become officers of the reserve service. The wages and benefits of cadres, workers, and other employees should be based on the standards and regulations for the cadres, police, and other employees of local public security departments. Beginning 1 January 1987, funds for these departments as local administrative expenses for state-set administrative establishments. As people's armed forces departments are military units, they should be managed in accordance with the regulations and ordinances of the People's Liberation Army.

The circular issued by the CPC Central Committee, State Council, and Central Military Commission on questions related to the work of transferring county (city) people's armed forces departments to the local organizational system calls on all localities to earnestly implement the "regulations concerning questions related to the transfer of county (city) people's armed force departments to the local organizational system" and to readjust and allocate personnel for the establishment of people's armed forces departments. Cadres designated for transfer to other local units or to civilian work should be handled in accordance with regulations governing military cadres retiring from active service. Efforts should be made to do a good job in checking on weapons, equipment, funds, and all kinds of materials. Inland people's armed forces departments should complete the transfer by June 1986. Except for those not being transferred for the time being, county people's armed forces departments on the coastal and border frontier line should complete the transfer by the end of 1986.

The circular points out that the transfer of county (city) people's armed forces departments to the local organizational system covers wide-raning areas in fundamental policy decisions. The various provinces, autonomous regions, and municipalities, as well as prefectures and cities, should set up leading groups composed of principal responsible comrades of local and military authorities to work out details and implement transfer work. Cadres of the people's armed forces departments should submit themselves to the arrangements of their organizations, abide by discipline, and stand fast at their posts to ensure normal operation of their units. It is necessary to strictly enforce all rules and regulations as well as financial discipline to avert unhealthy tendencies and other accidents.

PLA LOGISTICS DIRECTOR VIEWS MILITARY SPENDING

HK100854 Beijing ZHONGGUO XINWEN SHE in Chinese 0236 GMT 7 Feb 86

[Report by Li Wei: "Hong Xuezhi on Chinese Army's Logistics Work"]

[Text] Beijing, 7 Feb (ZHONGGUO XINWEN SHE) -- When interviewed by this reporter, Hong Xuezhi, director of the PLA General Logistics Department, recently said: China has reduced military spending in recent years in order to contribute more to peaceful construction.

He revealed that China's military spending in 1981 was 2 billion yuan less than the year before. The budget for military spending for 1985 was 18 billion yuan or so, which has not yet been reduced to the level of 1980.

Hong Xuezhi added: Although military spending has been reduced, things have been carried out well. Last year, the whole Army accomplished various tasks aimed at ensuring the completion of training and operations and satisfying the demand of daily necessities. The situation of implementing the budgetary plan for military spending is basically good.

Hong Xuezhi stated: The Chinese Army has established a comprehensive logistics system characterized by complete range of categories, numerous special lines, and complicated technology. In accordance with different strategic, operational, and tactical requirements, and the characteristics of the armed services, a three-level -- general headquarters, military regions (armed services), and group army -- logistics supply and administrative system has been set up, which covers material supply, equipment and facilities repair, medical and sanitary services, communications and transportation, and production of military supplies. This system can satisfy the demand of the building of various armed services and joint operations. In recent years, in the course of carrying out our military struggle against Vietnam along the border of Guangxi and Yunnan, our logistics work has constantly improved, and our troops are comparatively satisfied with it.

Last year was a year in which the Chinese Army achieved fruitful results in its structural reform. Hong Xuezhi also told this reporter: As far as logistics reform is concerned, apart from ensuring smooth progress in the reform of uniforms and wages, the work of streamlining the administrative structure and reorganization in various large logistics units under the General Logistics Department, military regions, and armed services has also been basically completed. The administrative system of strategic warehouses has been readjusted. A base command headquarters under the General Logistics Department has also been established.

He repeatedly stressed that the Army's logistics work should conform with the demands of the building of the Army and modern warfare. In the meantime, it should submit itself to and serve the general situation of the economic construction of the state and the building of the troops.

With regard to the progress made in recent years in the modernization of logistics work and the efforts to be exerted in the future, Hong Xuezhi said: The modernization of logistics work is mainly reflected in the renewal of the logistics technology and facilities, the improvement of supplies, and the enhancement of the level of vocational management. At present, advanced technology such as computers and others have been widely applied to logistics work. We are also firmly grasping the automation of the command system and administrative network of logistics work. It is expected that we will achieve results in this regard this year. As far as efforts to be exerted in the future, our main efforts will be placed on establishing a more efficient and rational and highly effective organizational system, building systematized logistics bases, and providing facilities so that we can readily deal with all possible emergencies. We should also further improve logistics facilities and equipment so that they will become more mobile with the mobility of our troops. Systematic, rapid, and uninterrupted supplies should be ensured.

Hong Xuezhi is a senior revolutionary of the older generation. He is also an expert in logistics work, who has real knowledge and deep insight. He was once deputy commander of the Chinese People's Volunteers, and commander of the logistics headquarters of the volunteers. After that, he was appointed deputy director and director of the PLA General Logistics Department.

The so-called movement of opposing the "right" deviation in 1959 brought calamity to this old general who is highly principled, outspoken, and straightforward, and handles matters impartially. After the movement, he was sent to a lower level and worked as director of certain bureaus and sections in Jilin Province for about 20 years. In 1977, he was transferred by Beijing and appointed director of office of National Defense Industry. He has been working as director of the General Logistics Deparment since 1980. He has been working hard over the past 5 years, and has made outstanding achievement. He is widely praised as a "red manager."

DEVELOPMENT OF RURAL CYL ORGANIZATIONS EXAMINED

OW071435 Beijing XINHUA Domestic Service in Chinese 0820 GMT 7 Feb 86

[Text] Beijing, 2 Feb (XINHUA) -- The CPC Central Commission for Guiding Party Rectification recently transmitted the"report on strengthening the building of CYL organizations in the course of rural party recitification" by the Secretariat of the CYL Central Committee, and issued a circular. The circular said: The CYL is an assistant and a reserve force of the party. Rural CYL organizations are the main party force in uniting and educating youth in rural areas. In the new situation of rural economic reform, the sound development of rural CYL organization in conjunction with party rectification, has great significnace in fully arousing the enthusiasm and creativity of the vast number of rural youth on further implementing the party's various principle and policies in rural areas, on promoting ideological and political work in those areas, and on enhancing the development of socialist spiritual civilization. The circular pointed out: The report put forward some feasible opinions and measures on strengthening CYL organizations in rural party rectification. It is hoped that all party organizations will attach great importance to these opinions and measures, and, proceeding from the actual situation in individual localities, take the work of strengthening the building of rural CYL organizations as part of the party rectification drive and ensure the proper implementation of the work.

The report by the CYL Central Committee pointed out: CYL organizations in rural areas are the party's bridges and ties for linking vast numbers of rural youths. Attaching importance to, and ensuring, the proper development of CYL organizations and giving full play to their function as the party's assistant and reserve forces in the course of rural party rectification are extremely necessary. The report gave instructions in four respects on strengthening the building of CYL organizations:

1. To conduct education on the current situation, party and government policies, and current tasks among CYL members in the stage of party rectification and study, enabling the vast numbers of CYL members to understand the great achievements brought by reform of the rural economic system, and the far-reaching effects of that reform; to enable them to fully understand the guiding ideologies and basic substance of the party's policy in rural areas; to enable them to realize the historical responsibilities they are shouldering; and to propel them into making positive contributions in promoting material and spiritual civilizations in rural areas.

2. To pay attention to selecting and assigned CYL organizations' full-time cadres in the course of party rectification at district and township level. We should discover and select young party and CYL members, who are ideologically sound and keen on CYL work, and who have an honest work style, a relatively good educational background, and a fairly good working ability to fill the leading posts of CYL organizations at district and township level.

3. To establish and improve CYL grass-roots organizations. We should, through party rectification, set up CYL organizations in villages with a party branch, and in village and town enterprises of a considerable size. In places where there are many young people and no CYL members, party organizations may recruit members and set up CYL branches on behalf of the CYL.

4. To pay attention to recruiting party members from among outstanding CYL personnel in various trades in rural areas, particularly from among CYL cadres; and to make positive efforts to absorb advanced rural youths into the CYL. We should also pay attention to recruiting CYL members from among rural secondary school students and teenagers.

The report called on CYL leading organs at various levels to take the strengthening of CYL organizations in the course of rural party rectification as the central task for rural CYL organizations in this year and the next, change their work style, and conscientiously carry out work to CYL branch level.

RENMIN RIBAO DISCUSSES 7 YEARS OF PRICE REFORM

HK310610 Beijing RENMIN RIBAO in Chinese 17 Jan 86 p 5

[Article by Yan Jia: "Probing the Price Reform in Our Country"]

[Text] Price Reform Since the 3d Plenary Session of the 11th CPC Central Committee

The 7 years since the 3d Plenary Session of the 11th CPC Central Committee have witnessed the introduction of an all-round price reform with the aim of bringing the market mechanism into fuller play. The 7-year-old price reform covers a wide range of fields, has been carried out on a large scale, and has presented many new methods and rich experiences. Its extent has been far beyond all changes effected in the 30 years prior to the 3d Plenary Session of the 11th CPC Central Committee.

Since the 3d Plenary Session of the 11th CPC Central Committee, China began to introduce an all-round reform of the pricing system and of the price control structure; as a starting point, the purchase prices of major agricultural products were raised substantially. With regard to the planned readjustment of the pricing system, the state implemented seven major successive readjustments and some small-scale readjustments to cope with the problems actually existing in prices and with the need for economic development. These readjustments, which involved the prices of agricultural products, industrial consumer goods, and industrial production means (including transportation expenses), have belied the erroneous concept that "planned prices mean fixed prices." Meanwhile, along with reform of the economic structure as a whole, considerable progress has been made in upgrading the role of the market mechanism in regulating the pricing system through reform of the price control structure. Apart from grain, cotton, and other major agricultural products purchased by the state according to contracts, restrictions imposed on the prices of other agricultural products have basically been lifted. Among industrial consumer goods, price restrictions on all small commodities have been lifted. Many textiles are being sold at floating prices, while electromechanical products, among other industrial production means, are also basically subject to the floating price system.

Before 1983, the planned readjustmet of the pricing system (hereinafter referred to as "readjustment") and the readjustment effected mainly through regulation by the market mechanism (hereinafter referred to as "relaxation") were carried out separately on a product basis.

After 1984, with the introduction of the state-approved "double-track system" regarding prices of production means as a starting pint, a new mode featuring the coexistence of the "readjustment" and "relaxation" of the price of similar products began to emerge. Such a "double-track system" regarding prices is new and was unexpected at the beginning of the price reform. Many ownership systems have long coexisted in our country; even under the system of ownership by all the people, different areas have different interests. Moreover, many products are in short supply. As the state plan cannot cover all products, the phenomenon of coexistence of two or multiple prices for a same product has long been a common practice between state-owned enterprises on the one hand and collective, town and township enterprises on the other hand, as well as between enterprises directly subordinate to the central authorities and local enterprises. Under the condition that an overall readjustment of the pricing system is impossible, the practice of lifting restrictions on the prices of production means not covered by the state plan and of encouraging large and medium-sized state-owned enterprises to take part in market regulation are an original attempt, although it seems a little bit passive.

By and large, and 7-year-old price reform has been successful so far. The readjustment of prices for agricultural products has lent great impetus to the development of agricultural production. China, which used to import part of the staple agricultural products it needed, can now be self-sufficient in grain and has a surplus of cotton. The reform of prices for industrial consumer goods has resulted in a rise in the output of these goods and an increase in the variety of different designs. The supply of many of the most important products can now basically meet the people's evergrowing demands. The coal price reform has eased contradictions between supply and demand. Other reform measures regarding prices have also played their due roles in improving economic relations.

Some Experience Gained From the 7-Year Price Reform

First, price reform must be conditional on the reform of the microeconomic operational mechanism. The pricing system is the signal system for the economic operating mechanism. This signal system can only play its due role when microeconomic organizations are sensitive to the price signal. The conspicuous result of agricultural price reform in our country is closely related to the introduction of the contract system linking remuneration to work in rural areas. The reform currently underway in cities, featuring the expansion of enterprise decision-making power, has fully displayed all correct reform measures regarding prices and unreasonable functions of prices, and has thus helped to push, price reform ahead.

Second, rationalization of prices must be conditional on the exercise of effective control over demand. The reason for reform in agricultural prices and industrial consumer goods prices in China is that reasonable prices have given rise to growth in supply; effective control over demand has also been an important factor. Take the case of grain, where the average annual growth in the sale of trade grain in China between 1979 and 1984 was 6.474 million tons. In the same period, average annual growth in grain output was 17.09 million tons, and the average annual growth in the procurement volume was 11.087 million tons. The fact that the growth in supply was far higher than the growth in demand has been the main cause of stable grain prices. In the same period, growth in rolled steel output exceeded growth in grain output. However, since demand grew more rapidly the price of steel products not covered by the state plan has soared and remained high.

From the microeconomic point of view, the exercise of effective control over demand requires that all economic organizations exercise more rigid budget control. In the macroeconomic point of view, it requires a strict comprehensive balance between financial credit and the supply of materials, strict control over the issuance of currency, and in particular, control over the total value of capital construction investment and consumption funds. The reform introduced since the 3d Plenary Session of the 11th CPC Central Committee still has not achieved complete success in this respect.

Third, the combination of "readjustment" and "relaxation" is an effective way to gradually streamline the pricing system. Practice has shown that planned readjustment of prices by the state is, after all, a good way of straightening up the pricing system. This is because supply and demand of many products are relatively stable, and price problems can be seen quite clearly. Consequently, planned readjustment of prices can basically be done conforming to objective economic laws and market demand. Although there are always some difficulties in coordinating the interests of different sectors prior to the introduction of a planned readjustment of prices, various measures can be taken to assist the operation before it is initiated. In addition, we have a contingent of cadres familiar with the process of price readjustment and able to keep the fluctuation of prices well under control after the process is initiated. Convincing evidence of this can be seen by the results of the seven major readjustments, including reductions in the price of cotton cloth, chemical fiber fabric, tobacco and alcohol, watches, and so on, and an increase in railway and water transport fees.

The means of relaxation plays an irreplaceable role in rectifying the pricing system. Such a role is particularly obvious in those cases where prices of finished products have great flexibility regarding supply and demand, especially certain important products. There are a great many designs of such products, and substitutes for them can easily be found. The supply of and demand for these products can easily be affected by conditions in different places at different times, and a change in their prices has slight impact on economic activities. Under such circumstances, a planned readjustment cannot score reasonable results. A readjustment through market mechanism is more convenient.

Experience over the past 7 years has shown that both "readjustment" and "relaxation" are indispensable. Under certain conditions, the two processes can help each other advance; they are interchangeable. Practice has shown that a sound macroeconomic balancing power is necessary to price stabilization of some production means if they have a relatively wide influence and if it takes time to expand their supply. When the above condition is not available and the state does not have effective means and experience to exercise indirect control over commodity prices, lifting restriction on the prices of certain commodities, to be sure, can be very useful, but it will be relatively difficult to keep the consequent changes in prices under control. The price level may be raised too high, and thus may have an adverse influence on the macroeconomic balance and stability. Therefore, while continuing to lift restrictions appropriately on the prices of some of these products, we must step up the process of planned readjustment on a larger scale.

Fourth, in the course of price reform it is necessary to attach importance to the division of the price controlling power and, in particular, to strengthen the functions of the local and departmental organs in charge of pricing. After the 3d Plenary Session of the 11th CPC Central Committee, the state readjusted the division of the power of setting prices, and a diversified price setting system began to emerge. However, the role of local authorities and departments has been overlooked to a certain extent regarding the division of the price controlling power. Consequently, as far as specific price control work is concerned, there are many "loopholes" which nobody wants to take care of or which cause ambiguity. This has given rise to some chaos.

During the period of the Seventh 5-Year Plan, it is necessary to strengthen guidance, properly delegate price controlling power, revise the product control catalogue, urge all areas and all departments to share the risk of price reform, turn "tremendous shocks" into "slight shocks," and thus ensure the smooth progress of price reform as a whole.

Fifth, it is necessary to seize the opportune time to carry out price reform and to take supporting measures. Experience has shown that whether we have seized the opportune time and taken supporting measures is of great importance in easing the shock arising from price reform.

We have launched four reforms regarding the price of consumer goods, of which two were related to industrial consumer goods. The latter two reforms have scored good results because, as the process went on the prices of some products were raised and others reduced, the margins of price increases and reductions were in the main equal, and those commodities, the prices of which were raised, were not irreplaceable daily necessities. Meanwhile, the two price rises in agricultural and sideline products have aroused strong reaction in society. This was because, on the one hand, these two price rises took place immediately after abrupt increases in social consumption funds, which gave rise to a macroeconomic effect of inflation due to expanding demand. On the other hand, other supporting measures and specific schedules were not well arranged. Last year, after restrictions on vegetable prices were lifted, prices soared for a while in some places. This could also be attributed to the same causes.

Wages have an important bearing on commodity prices. The joint introduction of the readjustment of prices of important consumer goods and reform of the wage system will help to effectively mitigate the impact of the price readjustment.

The Guiding Ideology for Further Reform

After 7 years of reform, the price-setting mechanism of our country has been substantially improved, and great progress has been made in straightening out the pricing system. However, this still cannot meet the needs of the development of a planned commodity economy. Our country's price-setting mechanism is still rather imperfect, and the price system is still faced with some serious inconsistencies between price and value. These inconsistencies will inevitably lead to a conflict between microeconomic targets and macroeconomic goals, as well as failure to fulfill the requirements for the operation of the new economic structure. Further resolution of this contradiction is a task to be dealt with by price reform during the period of the Seventh 5-Year Plan.

The general guiding ideology for price reform in the period of the Seventh 5-Year Plan should be: In order to meet the needs of the program of building socialism with Chinese characteristics and a planned commodity economy, and to fulfill the goal of "quadrupling output value" by the year 2,000, readjustment of the pricing system must be carried out along with reform of the price control structure. It is also necessary to do a good job of giving correct guidance to investments, invigorating large-sized enterprises, and improving economic results, as well as devoting every effort to making great progress in price reform regarding major projects and establishment of the price-setting mechanism for the planned commodity economy.

First, it is necessary to basically build a relatively rational pricing system of production structure and to effect a more reasonable investment composition. After reform of the economic structure, the proportion of the state financial investment to the total investment has substantially decreased, while the proportion of funds not covered by the state budget has increased by a wide margin.

The latter is much more sensitive to the price signal than the former. However, our country's existing pricing system fails to reflect the demand of economic development on the readjustment of the production structure; it plans instead a role of "adverse adjustment" harmful to investment and leading to enormous waste of precious resources. It is necessary to concentrate our attention on solving this problem in the period of the Seventh 5-Year Plan.

Second, price reform must prepare conditions for a structural improvement regarding the scale of basic industrial enterprises. As the backbone of the national economy, large and medium-sized enterprises enjoy the advantages of large-scale economy in terms of the infrastructure and the supply of energy, basic raw materials, and important mechanical products. On the other hand, small enterprises are best mainly in the manufacture of finished products, retail commerce, and service trades. During the period of the Seventh 5-Year Plan it is necessary to make further efforts to solve the problem of high-quality products manufactured by large and medium-sized enterprises and sold at low prices, while similar products of poorer quality are manufactured by certain small-sized enterprises and sold at higher prices. The aim is to give fuller play to the role of large and medium-sized enterprises and encourage small enterprises to practice economically rational management.

Third, it is necessary to restrain demand for products in short supply which give poor economic returns and to rationally use limited resources. At present, a serious shortage of many basic products has become the major obstacle to the country's economic development. Supply of these products is unlikely to increase dramatically in the near future. Therefore, one major step in easing the contradiction between supply and demand is to use price reform to restrict demand for products with poor economic returns and to rationally use limited resources.

Fourth, it is necessary to rationalize the composition of costs. Production costs are the basis of prices, reflecting economic relations between the enterprise and the state and between different enterprises. Without a scientific cost composition, there will be no reasonable prices; nor will there be normal operational conditions. A very unreasonable cost composition is a major hidden obstacle to the establishment of a market system. Although an examination of costs will not result in noticeable economic results in the near term, it will be an indispensable factor in achieving normal economic operations in the 1990's and beyond. We must make substantial progress in reform regarding cost composition in the period of the Seventh 5-Year Plan.

Fifth, apart from the prices of a few consumer goods, prices of other goods must be basically altered. Prices of goods, the demand for which exceeds their supply, should be made higher than the average price level; the supply of those which exceeds their demand should be made lower than the average price level. This would achieve a balance between supply and demand.

Sixth, it is necessary to establish a basic price control structure which fits the planned commodity economy. This structure must be able to quickly regulate the price system, respond to needs arising from changes in the market and the economic structure, and constantly maintain the rationality of the price system.

Seventh, price reform during the Seventh 5-Year Plan must be implemented within the proper scope under state control. No matter what form, "readjustment" or "relaxation," price reform during the period of the Seventh 5-Year Plan is going to assume, it will involve a readjustment of price structure and affect prices. Each change inevitably will cause a redistribution of interests between the state, enterprises, and the individual.

In order to ensure that the whole transition process is completed smoothly, we must strive to fulfill the following requirements: 1) The readjustment of prices will not add excessively to the economic burden. 2) When there are changes in the cost of energy, basic raw materials, and transportation, we must make every effort to avoid or minimize the fluctuation of the prices of processed products and reduce the impact through internal reform of enterprises and a profits tax readjustment. 3) It is necessary to insure that the growth margin of the masses' personal income slightly exceeds the rising index of commodity prices. This year's price reform will be mainly aimed at consolidating the promulgated measures and maintaining a basically stable general level of commodity prices.

LIAOWANG DISCUSSES NEW ECONOMIC REFORM LAWS

HK050939 Hong Kong LIOWANG OVERSEAS EDITION in Chinese No 4, 27 Jan 86 pp 8, 9

[Article by Zhang Xuixian: "China's Economic Laws Being Formulated in the Course of Reform"]

[Text] Over the last few years, China has made important headway in economic legislation and judicature and the research and teaching of economic laws. As the rapid pace, enormous quantity, and significant content of legislation have all been unprecedented, a system of economic laws and regulations has been gradually taking shape and has effectively protected and promoted the smooth progress of China's socialist modernization construction.

This was said by Gu Ming, leading member of the Economic Legislation Research Center of the State Council and president of the Society of Economic Laws of China, at the second national work conference on economic law theories held at the end of 1985. He disclosed that during the Seventh 5-Year Plan period, China will formulate more economic laws and regulations and actively plan to draft a scientific "program for economic laws," conforming with realities in China.

A few days ago, this reporter interviewed Professor Sun Yaming, advisor to the Economic Legislation Research Center of the State Council and vice president of the Society of Economic Laws of China, on the role of China's economic laws in protecting and promoting the economic structural reform and opening up to the outside world. From the founding of New China to 1976, China' supreme state power organs and administrative organs promulgated over 800 economic laws and regulations. Over the last few years, China also formulated over 300 economic laws and regulations, covering planning law, economic law, environmental protection law, civil law focusing on contracts, labor law, economic law concerning foreign economic relations and trade, and so on. Professor Sun belives that these laws and regulations have fully reflected China's principle of invigorating the domestic economcy and opening up to the outside world and are the detailed and standard documents of China's economic principles and policies.

Considering that China's economic structural reform is carried out in close coordination with economic legislation and active promotion of various laws and regulations, Professor Sun first gave a briefing on the birth of China's foreign-related economic legislation as well as the roles it displayed in opening up to the outside world. In the light of the policy of opening up to the outside world, China enacted and promulgated over 50 foreign-related economic laws and regulations, such as the "law of the People's Republic of China on Chinese-foreign joint ventures," the "law of the People's Republic of China on economic contracts concerning foreign economic relations and trade," and so on, to encourage and attract foreign businessmen to make investments and set up joint ventures in China. From 1979 to September 1985, China already had over 1,800 Chinese-foreign joint ventures, 3,308 enterprises jointly run by China and foreign businessmen and 109 enterprises solely owned by foreign businessmen, gathering about $20 billion in foreign capital through various patterns.

China's existing important economic laws and regulations were mostly formulated during the economic structural reform over the last few years. Professor Sun Yaming gave a more detailed explanation:

First, China began its economic structural reform with agriculture, as the old economic structure in the rural areas seriously fettered the development of rural commodity economy and productive forces. Successively, the CPC Central Committee issued several documents regarding developing agriculture and further relaxing rural policies, which mainly included the notice issued by the State Council through the State Economic Commission "regarding the report on actively developing diversified economy," as well as some economic laws and regulations promulgated by the State Council on developing enterprises run by communes and production brigades, extending the channels for circulating urban and rural commodities, allowing individual peasants or teams of peasant households to purchase motor vehicles and ships to engage in transportation, and so on. These and some other economic laws and regulations have greatly promoted the division of labor within agriculture and the development of commodity production and exchange, energetically propelled the development of town and township enterprises, strengthened the circulation of urban and rural commodities and ensured the entrance of peasants into the realm of circulation. Therefore, in only 3 to 5 years, we have succeeded to some extent in putting China onto the track of commodity economy from the state of self-sustaining and semi-self-sustaining rural economy in a planned way and quickened the transformation of rural economy into specialized and modernized commodity production.

Second, the initial reform of China's urban economic structure began with restructuring industrial management. Starting in July 1979, the State Council successively promulgated several economic laws and regulations regarding the extension of the decision-making powers of state-run industrial enterprises. In May 1984, the State Council explicitly stipulated in the "provisional regulations on further extending the decision-making power of the state industrial enterprises" that under the condition of ensuring the completion of state plans and contracts for supplying goods to the state, enterprises are allowed to independently increase the output of products needed by the state construction and the market and sell on their own products belonging to their part of profit retention, products in excess of state production targets, new trial-produced products, stockpiled products, and so on. These and other relevant economic laws and regulations have created important conditions for enterprises to truly become relatively independent economic entities and socialist commodity producers and managers who run their own enterprises and assume sole responsibility for their profits or losses. Meanwhile, under the guidance of the Sixth 5-Year Plan as well as annual plans, through the promulgation and implementation of the economic laws and regulations concerning the administration of finance and taxation, structural reform, reform of price systems, reform of commercial systems, reform of planning systems, reform of foreign trade systems, and so on, we have introduced the method of effecting a switch from profit delivery to tax payments. We have tried the principle of fixing prices according to the quality of goods and charging higher prices for better quality, broken the commercial monopoly of the state, and implemented the principle of the state, collectives, and individuals in all trades working together. We have also reduced the scope of mandatory planning and expanded the scope of guidance planning and regulation by market mechanism. Coupled with the quickened development of energy resources, communications, and transportation, we have shattered the old ossified and closed economic structure focusing on production, gradually set up a new economic structure, and contributed to the sharp increase in social productive forces.

Third, in order to expedite the scientific and technological structural reform, the educational structural reform has been closely integrated with the economic structural reform so that scientific and technological achievements can be rapidly and extensively used in production and scientific and technological personnel can be fully exploited.

In April 1985, China began to put into effect the "patent law of the People's Republic of China" and promulgated the "provisional regulations regarding technology transfers" in January 1985. With a view to further expanding economic and technological cooperation with foreign countries and raising China's scientific and technological levels, in May 1985 the State Council also promulgated "procedures of the People's Republic of China for the introduction of technology and administration of contracts." Meanwhile, the state set up an educational commission which is now strengthening the work of educational legislation.

Fourth, in order to separate government from enterprise responsibilities, appropriately separate ownership from right of management, and further expand enterprises' decision-making power, in April 1985 the State Council promulgated the "interim regulations on depreciation of fixed assets of state-run enterprises" and will soon promulgate the "law on state-run industrial enterprises" and the revised "regulations of the work of factory directors of state-run industrial enterprises." The main content of the "law on state-run industrial enterprises" mainly includes: 1) definition of the legal status of state-run industrial enterprises and affirmation of state-run industrial enterprises as legal entities; 2) stipulation of the implementation of the factory director responsibility system and affirmation of factory directors as representatives of legal entities; 3) strengthening the democratic management of enterprises by staff and workers; and so on. The revised "regulations on the work of factory directors of state-run industrial enterprises" define the qualifications, appointment, removal, and responsibilities of factory directors, as well as supervision, reward, and punishment for them. This is quite different from the previous factory director responsibility system which demanded that factory directors should work under the leadership of CPC committees. These "regulations" stipulate that factory directors (or managers) must determine enterprises' operational objectives and development orientations under the guidance of state plans. These economic laws and regulations will play an active role in invigorating enterprises, promoting technical transformation, improving business management, raising economic effectiveness and accelerating commodity production.

Fifth, with a view to strengthening horizontal economic ties between urban and rural areas, between regions and among enterprises, extensively organizing various economic combinations and vigorously developing socialized production and specialized coordination, at present China is stepping up the formulation of relevant general rules of civil law, regulations on contracts for railroad, highway, waterway, and air freight transportation as well as company law and regulations on joint ventures in China. The main content of company regulations includes the definitions of companies, liability patterns of companies, which stipulates two patterns: 1) the limited liability company, 2) the joint-stock limited liability company, and provisions for companies' dissolution, consolidation, bankruptcy, and so on.

Sixth, in order to open up an overall unified market, rapidly eliminate barriers and fetters between departments and regions at different levels and between the Army and the people, and make all the markets extend in all directions and reach all parts of the country and to boost the socialist commodity economy, China needs not only to extensively open up consumer goods, production means, technological information, labor services and construction markets, and so on, but also to cultivate a capital market to make it display the role of raising and accommodating capital under the state's macroeconomic control, so as to contribute to diverting idle capital to production and construction. Meanwhile, it is also necessary to energetically develop international markets. Therefore, we need to enact some relevant economic regulations and laws, such as the law against illegal deals, product liability law, the law for ensuring commodity quality, the law of bills, market management law, and so on.

Seventh, in order to accelerate the development of tertiary industry and promote the coordinated development of the primary and secondary industries, departments concerned of the State Council are now enacting relevant economic laws and regulations, such as railroad law, highway law, postal law, tourism law, the law on town and township enterprises, and so on.

Eighth, in order to better incorporate the administrative and supervisory functions of banks in national financial administration, namely, in the fields of credit, settlement, foreign exchange, wages and bonuses, floating capital and investment in capital construction, the "interim provisions for bank management" were promulgated and put into effect during the middle of January.

Ninth, the law of commerce, now being vigorously enacted, is for fully displaying state-run commercial departments' roles as main channels in commodity circulation and making them actively participate in regulation by market mechanism, readjust commodity prices, promote production and stabilize market under the guidance of state plans.

Tenth, the regulations on contracts for military industrial products now being drafted will shift the focus on scientific research and production departments of national defense onto serving the national economy and the people's livelihood under the condition of giving priority to ensuring military supply. Therefore, it is imperative to readjust military industry into industry which serves both military and civil uses.

ANHUI'S HUANG HUANG MEETS JAPANESE GUESTS

OW071011 Hefei ANHUI RIBAO in Chinese 24 Jan 86 p 1

[Text] Huang Huang, secretary of the Anhui Provincial CPC Committee, met on the afternoon of 23 January with Haruo Nishiuchi, president of the Kochi Prefectural Japanese-Chinese Friendship Association, Japan; Kei Yokoyama, business director of the Kochi Shimbun Company; and reporter Noriaki Miyamura. Tsutomu Nakauchi, governor of Kochi Prefecture, entrusted Mr Nishiuchi to forward his hand-written letter to Secretary Huang Huang. On behalf of the people of Kochi Prefecture, Mr Nakauchi extended his regards to the leaders and people of Anhui Province and his wish that the friendship between Kochi Prefecture and Anhui Province would deepen with each passing day. Secretary Huang Huang had a friendly conversation with Mr Nishiuchi. He hoped that Anhui Province and Kochi Prefecture would continue to strengthen exchanges and cooperation and work to make the economy of both sides prosper and to enhance Sino-Japanese friendship. He asked Mr Nishiuchi to convey his and the Anhui people's regards to Governor Nakauchi and the people of Kochi Prefecture.

Attending the meeting were Wang Jie, director of the Anhui Provincial Foreign Affairs Office and vice president of the Anhui Provincial Association for Friendship With Foreign Countries; and Xu Guocang, deputy director of the Anhui Provincial Foreign Affairs Office and vice president of the Anhui Provincial Association for Friendship with Foreign Countries.

JIANGSU: FOREIGN EXCHANGE-EARNING AGRICULTURE DEVELOPS

HK070353 Beijing RENMIN RIBAO in Chinese 30 Jan 86 p 1

[Report by Zheng Taibai: "Suzhou City Develops Agriculture To Earn Foreign Exchange"]

[Excerpts] In developing the rural economy, Suzhou City, located in the Chang Jiang Delta in Jiangsu Province, has conscientiously implemented the principle of integration of "trade, industry, and agriculture," and actively readjusted the production structure, thus speeding up the construction of the production base of agricultural and sideline products and commodities for export. Last year, the total volume of agricultural and sideline products and primary processed products procured for export amounted to more than 200 million yuan, an increase of 30 percent over the previous year. These exported products resulted in foreign exchange revenue totaling $65 million; and taking into account the value arising from the export of fine processed products with agricultural and sideline products as raw material, the total is more than $150 million.

Suzhou City has actively readjusted the production structure in rural areas, supporting the peasants by means of policies and in the form of material supplies and services, thus giving full play to the peasants in developing the production of agricultural and sideline products for export.

So far, around 70-80 plants processing agricultural and sideline products for export have been set up in Suzhou, of which more than half are run by townships. Wujiang County has set up three knitting mills to produce bright and beautiful knitwear made of rabbit hair. Their products are well received in the Shanghai and Nanjing markets. By implementing the principle of integration of domestic marketing and export, they have managed to double their profits.

Suzhou City has attached importance to scientific and technological development as well as to the improvement of the quality of agricultural and sideline products, and has encouraged the peasants to develop new export products. A few townships in western Wuxian County have been well-known for growing flowers and plants for centuries past.

At present, there are more than 100 specialized gardeners throughout the country, and dozens of kinds of flowers and plants have been marketed in Hong Kong and Macao. Meanwhile, a series of storage, refrigeration, and processing facilities is under construction.

Commentator's Article

HK070355 Beijing RENMIN RIBAO in Chinese 30 Jan 86 p 1

[Commentator's article: "There are Bright Prospects for Agriculture To Earn Foreign Exchange"]

[Text] Suzhou City has implemented the principle of integration of "trade, industry, and agriculture" in readjusting the production structure in rural areas, and the progress the city made last year in earning foreign exchange by exporting agricultural and sideline products, as well as processed products, shows that there are bright prospects for the development of foreign exchange-earning agriculture in economically developed coastal areas.

Foreign exchange-earning agriculture is mainly aimed at export. China's coastal areas enjoy various historical and geographical advantages regarding their overseas ties and produce many agricultural and sideline products which are traditionally famous abroad. However, due to the fetters of the self-supporting or semi-self-supporting economy over the years, the commodity rate regarding these products was low, the export volume was limited, and some products had even never been exported. Such circumstances have been serious obstacles to the further transition from agriculture to commodity production and have affected the further prosperity of rural economy in these areas.

Some people say: Now that agriculture is rather developed in the coastal areas, especially the Chang Jiang Delta, the Zhu Jiang Delta, and the southern Fujian triangular zone, development of agriculture is not likely to bring about any new breakthrough in the rural economy. Facts have shown that these areas are more developed than other parts of the country in agriculture, but are backward in many fields as compared with economically developed countries in the world, and there is still much room for development. One of the fields to be explored is the international market, with the focal point being the development of foreign exchange-earning agriculture, which will, in turn, give an impetus to the development of the processing industry for agriculture and sideline products, the communications and transportation industry, and commodity circulation, thus bringing about the prosperity of the economy as a whole. This has been proved by the case of the Suzhou area, where the establishment and development of a number of town and township enterprises with a fair ability to earn foreign exchange have given rise to a preliminarily connected circulation and service network. The foreign exchange-earning agriculture can serve as a new starting point and new motive force for the economically developed coastal areas in their efforts to develop agriculture. Agriculture will continue to boom there on the existing basis.

Of course, the foreign exchange-earning agriculture is not something to be achieved in one move. In the case of some products with fair basic conditions for production, it will be easier to promote them in the international market as long as their quality is further improved, the scale of production is expanded, the processing capacity is increased through technical transformation, and the packing is improved. For some other products, it is necessary to devote our efforts to a series of basic tasks. For example, the production of some name-brand and high-quality agricultural and sideline products has almost ceased; promoting these products needs to start from crop-breeding, as well as planting experiments and popularization. There are more products to be developed and created.

Suzhou City has achieved prompt success by building up the production base, concentrating financial and material resources in the manner of fighting a "battle of annihilation." The city's experience merits popularization.

The development of foreign exchange-earning agriculture needs the concerted efforts of various sectors, including agriculture, foreign trade, commerce, and industry. It is necessary to rationally coordinate economic interests between different sectors. While taking the interests of one's own unit into account, one must attach importance to the interests of the state as a whole regarding foreign exchange revenue, and the interests of the peasants as well. So long as we stick to a definite goal and make persistent efforts to effect a shift to foreign exchange-earning agriculture, the developed coastal areas are bound to succeed in building up the country's first new open-type agricultural zone.

SHANDONG SECRETARY VISITS HEZE PERFECTURE

SK092322 Jinan Shandong Provincial Service in Mandarin 2300 GMT 8 Feb 86

[Text] Prior to the Spring Festival, Liang Buting, secretary of the provincial CPC committee, went to Heze Prefecture to visit the retired veteran cadres of the former old Hebei, Shandong, and Henan revolutionary bases, stressing that the new and old cadres should support one another and jointly contribute to the great cause of the four modernizations.

During his 3-day visit to Heze Prefecture, Liang Buting, secretary of the provincial CPC Committee, visited the retired veteran cadres of the former Hebei, Shandong and Henan old revolutionary bases in the company of (Yu Bohai), secretary of the Heze Prefectural CPC Committee.

He made two special visits to (Li Jizhao), a 94-year-old veteran cadre who had been recruited into the party in 1933, and (Li Yuzhi), former deputy secretary of the Heze Prefectural CPC Committee, who is having difficulty in getting around. Wherever he went Comrade Liang Buting asked in detail about the living and health conditions of the veteran cadres and held cordial talks with them.

Comrade Liang Buting said: The new and old cadres should support one another, and respect and defend one another in three ways. Now is an important time for replacing old cadres with new cadres. There will be more and more retired veteran comrades in the future. And more and more new comrades will assume leading posts. Therefore, how to correctly handle the relationships between the comrades on the first line and those on the second and third lines has become an important issue in present party life. Comrades working on the first line should care for and respect the veteran comrades. Respecting veteran comrades means respecting history, traditions, and experiences. Those veteran comrades who have retreated to the second or third lines should support and defend the in-service comrades. Defending the comrades on the first line means safeguarding the public interest, stability, and unity. All in all, both parties should continue mutual support.

Gives Directives

SK100129 Jinan Shandong Provincial Service in Mandarin 2300 GMT 7 Feb 86

[Text] On the afternoon of 6 February, Liang Buting, secretary of the provincial CPC Committee, visited Heze Prefecture and, accompanied by the responsible comrades of the Yuncheng County CPC Committee, visited the five households engaged in raising rabbits in (Wuzhaung) village of (Shuangqiao) township to extend his cordial regard and festive greetings. He also heard the briefing given by the secretary of the village party branch and held discussions with them on the plan for making the village as a whole mutually become wealthy.

In holding talks with the responsible comrades of the prefectural and county party committees, Comrade Liang Buting emphatically stated: We should by no means slacken our efforts to engage in grain production, because it is the basic factor of having the people dress warmly and eat their fill. There will be no development in animal husbandry, processing industry, and other undertakings without grains. Therefore, we should maintain a stable sowed acreage of grains and increase the per-unit yield. Efforts should be made to actively develop a diversified economy and to pay attention to processing grains intensively and turning grains into other foodstuffs.

Comrade Liang Buting stated: Over the past few years, Heze Prefecture has firmly grasped this work and done a good job in this regard. It has also scored marked achievements in dealing with the leftover problems, implementing the policies, and in solving the major and serious cases. The spirit displayed by the prefecture in daring to grasp knotty problems has been praised by the masses. To date, however, some comrades have obstinately stuck to their wrong courses. He urged the responsible comrades to remove all interferences in order to resolutely and continuously implement the policies issued by the CPC Central Committee.

Comrade Liang Buting stated: The economic fundation of Heze Prefecture is poor and weak, but the prefecture is strong in latent power. Therefore, it is also able to and should accelerate its pace of developing industrial production. In line with the policy, the provincial authorities will actively support the prefecture in the fields of material sources and funds in order to enable it to achieve development as soon as possible. The "three, four, five" project put forward by the prefecture with regard to bringing into play the strong points of the three bases of grains-cotton, animal husbandry, and paulownia; developing the markets of the four major commodities including foodstuffs, wool textile products, leader products, and wood furniture; and following the five principles set for developing industries in the prefecture, is made by proceeding from the prefecture's reality, is suitable to the prefecture's conditions, is formulated by exploiting the prefecture's strong points to make up for its shortcomings; thus fully embodying the guideline on agricultural production issued by the central authorities. The project constitutes a favorable way for the localities that have a poor economic foundation, but are strong in latent power, to change their backward outlook.

The prefecture's work of fostering lateral cooperation and developing economic and technical coordination represents a great breakthrough in work, not only of the economy, but also of ideology. The experience gained by the prefecture in promoting the development of the economy, by removing the longstanding traditional idea of small-scale peasant economy and the out-dated habit in which both small and large localities should have all kinds of supplies in order to refrain from asking others for help, is worth summing up or popularizing. On the other hand, the eastern areas that have achieved rapid economic development should actively transfer their scientific and technological results to the areas that have poor economic foundations in order to successfully foster cooperation and coordination.

GUANGDONG MILITARY REGION HOLDS NEW YEAR PARTY

HK061001 Guangzhou NANFANG RIBAO in Chinese 1 Feb 86 p 1

[Report by Chen Xiaogang: "The Guangzhou Military Region Holds a Lunar New Year Evening Party"]

[Text] The Guangzhou Military Region held a grand lunar new year evening party at the military region's auditorium last night. Present were You Taizhong, Zhang Zhongxian, Liu Cunzhi, Zhang Wannian, Liu Anyuan, Li Xilin, Zhang Mingyuan, and other leading comrades of the Guangzhou Military Region and the organizations under it; Lin Ruc, Xie Fei, Wang Ning, Song Zhiying, and other leading comrades of the provincial CPC Committee; Du Ruizhi, deputy director of the provincial Advisory Commission; Kou Qinguan, former director of the provincial Advisory commission; Zeng Dingshi and Cheng Li, vice chairmen of the provincial People's Congress Standing Committee; Vice Governor Ling Botang; Yang Yingbin, provincial CPPCC Committee vice chairman; Luo Jinchen provincial Discipline Inspection Commission deputy secretary; and some leading comrades of the Guangzhou City CPC Committee and the city Advisory Commission, People's Congress Standing Committee, people's government, and CPPCC. Ren Zhongyi, member of the Central Advisory Commission who is presently in Guangzhou, also attended the theatrical evening party.

Before the evening party started, the leading comrades of the party, government, and Army organizations held an informal discussion in a cordial and friendly atmosphere. The Beijing opera troupe of the Guangzhou Military Region put on a brilliant theatrical performance at the party.

HUNAN LOCAL NOTARY OFFICE UNCOVERS FRAUD

OW041129 Beijing XINHUA in English 1044 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- The handling of a notarial document uncovered a fraud in central China's Hunan Province, and saved a township government from a loss of one million yuan.

Last April, a young person named Pan, who styled himself the general manager of a development company with more than one million yuan in private assets, bid for a contract to manage a six-story commercial building and sell the half a million yuan's worth of goods already stored in the building. But the staff of the local notary office became suspicious over the details in the registered contract document and did some investigation into Pan's background. It turned out that he was a convict on the run and had no connection whatsoever with the construction business. As a result, Pan was handed over to the police and the township recovered its money.

This was only one of 7,000 economic crimes which turned up in the handling of notarized documents, an official from the notary public and lawyers department of the Ministry of Justice told XINHUA in a recent interview. Of the more than two million notarized documents registered last year, about 80 percent concerned economic contracts, whereas, before 1978, they were mainly connected with marriage, property, schooling and identification.

In the past five years, more than 590,000 Chinese notarized documents have been sent to scores of countries, the official said. China now has more than 2,600 notarial offices with nearly 10,000 staff members.

XIZANG PREFECTURE RETURNS CONFISCATED PROPERTY

HK060743 Lhasa Xizang Regional Service in Mandarin 1130 GMT 1 Feb 86

[Text] The Nagpu Prefectural CPC Committee United Front Work Department has regarded returning an article, handling a leftover problem, and implementing a policy toward a person as a specific action to bring order out of chaos, eliminate leftist influence, and totally negate the Great Cultural Revolution. It has strengthened leadership and taken measures to score achievements in a short period.

With a view to speeding up the implementation of the policies of united front work and strengthening leadership over this work, the United Front Work Department of the prefectural CPC Committee has specially set up a prefectural leadership group to implement the policies of united front work. They have seriously dealt with the problems of confiscating patriotic personages' property in the Great Cultural Revolution, the problems of confiscating pearls, jewels, and agates belonging to temples in the Great Cultural Revolution, and those problems of wrongful confiscation in the course of democratic reform which have been left over, and have returned the property.

Since the beginning of last year, they have successively received 121 appeals for the implementation of policies which were lodged by patriotic personages and personages of religious circles. They have carried out all-round analysis of and dealt with these appeals and some matters for which appeals have not been lodged but which should be dealt with in accordance with requirements of the policies, in order of importance and urgency. In accordance with the principle of first solving the easy problems and later the difficult ones and with the method of solving the problems in groups, the more numerous problems and those which produced great effect, whose circumstances were clear, and which were easily investigated and verified, were classified as the first group of handling. After penetrating investigation and repeated verification, the first group determined had 88 persons and households and the amount of money defrayed was some 340,000 yuan. The following several problems were specifically solved:

1. In accordance with the spirit of the regional forum on the implementation of the policies of united front work and with the requirements for implementing policies in one's own unit first, at the end of September last year, the united front work system listed articles and asked people to claim them. It returned 85 articles, including coupboards, [words indistinct], high-grade china pots, china bowls, and ivory chopsticks, to (Xiaodong) temple and CPPCC Committee members on its own initiative. At the same time, it returned 54 houses, including temples and living Buddhas' private houses, about some 1,800 square meters in size.

2. In accordance with the policies, damages were paid to 51 persons for some 965 articles which had been confiscated in the Great Cultural Revolution. Regarding gold, silver, and products made by them which had been confiscated, damages were paid in renminbi. Compensation was paid to 31 persons for their gold and silver ornaments and the savings deposited with banks and cash which had been confiscated, were returned to 10 persons.

3. The wages of nine CPPCC Committee members which had been withheld in the Great Cultural Revolution, were paid.

4. The problems of wrongful confiscation of the property of seven CPPCC Committee members in democratic reform was properly solved and a suitable lump sum was paid by way of compensation.

5. The livestock and other means of livestock production owned by 11 households and 10 temples, which had been confiscated before trial in the period of socialist transformation, were returned and damages of some 144,000 yuan were paid.

After the policies toward these people were implemented, personages of various circles and the masses gave them their support and the people and their family members and children whose articles had been returned and to whom damages were paid, all felt satisfied. They said with deep feeling: Since the 3d Plenary Session of the 11th CPC Central Committee, the party has reversed verdicts on us and rehabilitated our reputation. It has now implemented economic policies toward us, resulting in solving the problems which have been left over for many years. This has made us personally feel that the party's traditions of seeking truth from facts and sharing weal and woe with the people have been really restored. This has fully embodied the CPC Central Committee's great daring to totally negate the Great Cultural Revolution and to bring order out of chaos and its spirit of being extremely responsible to the people. We must forever work with the party and build two civilizations for Nagqu with all our heart and all our might to repay the party's kindness.

XIZANG'S WU JINGHUA VISITS LHASA ON NEW YEAR DAY

OW091616 Beijing XINHUA in English 1458 GMT 9 Feb 86

[Text] Lhasa, February 9 (XINHUA) -- Wu Jinghua, secretary of the Chinese Communist Patty Committee of the Tibet Autonomous Region, called on a neighborhood in downtown Lhasa this morning to wish the local residents a happy new year.

Today is the New Year's Day on the Tibetan calendar which coincides with the Spring Festival on the lunar calendar.

Local residents told Wu, who was appointed to his current post last year, that they were enjoying the best New Year's Day in the last 20 years and more. They were glad of the changes taking place on this "roof of the world", they added.

Wu, a non-Tibetan, was clad in a Tibetan costume today as he moved about to exchange greetings with them.

Wu later called on Lhunzhub Tabkyai, president of the Tibetan branch of the Chinese Buddhist Association, at the people's hospital where this living Buddha was receiving a medical treatment.

He also went to some Tibetan peasants' homes in the suburbs.

XING CHONGZHI ATTENDS HEBEI CADRES RALLY

SK070800 Shijiazhuang HEBEI RIBAO in Chinese 24 Jan 86 p 1

[Text] On the morning of 23 January the provincial CPC Committee held a rally of cadres of provincial organs at the auditorium of the Shijiazhuang City Workers' Cultural Palace. It urged the masses of party members and cadres of the provincial organs to further arouse themselves; work with concerted efforts; unite as one; conscientiously implement the instructions of the CPC Central Committee and the arrangements of the provincial CPC Committee; conduct "four checks" on corruption, bureaucracy, liberalism, and sense of party spirit; perform their work in a down-to-earth manner; make positive contributions to improvement of party style; and enable the provincial organs to truly act as an example for the province.

Attending the rally were leading comrades of the provincial CPC Committee and the provincial Advisory Commission; responsible comrades of the provincial People's Congress Standing Committee, the provincial government and the provincial CPPCC Committee's party leading group; and party-member cadres at and above the section level of the provincial organs.

Gao Zhanxiang, deputy secretary of the provincial CPC Committee, presided over the rally. Responsible persons of the CPC Committee of the provincial academy of sciences and of the party leading groups of the provincial animal husbandry and marine product bureau introduced their situations and experiences in reviewing party rectification and improving party style.

On behalf of the provincial CPC Committee, Comrade Xing Chongzhi gave three opinions: 1) conscientiously studying an profoundly understanding the guidelines of the speeches of central leading comrades given at the rally of central organ cadres; 2) conducting "four checks" from the higher level downward, and further uncovering and solving the problems in party style; and 3) strengthening leadership over and paying ceaseless attention to the work of improving party style.

After Xing Chongzhi gave his speech, Comrade Gao Zhanxiang spoke. He said: All units should set forth their fighting goals for the improvement of party style, and improve party stule through the "inspiration of goals." We should pay attention to ideological work, educate party members and cadres with both positive and negative examples, lead them in conducting the "four checks," and encourage them to supervise and help each other. Those who still commit mistakes while conducting checkups should be dealt with strictly. Party leading groups of all offices and bureaus should submit brief, realistic, and to-the-point reports on their improvement of party style to the provincial CPC Committee before 1 July.

Xing's Speech

SK100156 Shijazhuang HEBEI RIBAO in Chinese 24 Jan 86 pp 1, 2

[Speech by Xing Chongzhi, Hebei provincial CPC committee secretary, at 23 January rally of provincial organ cadres in Shijazhuang City]

[Text] Today's rally is a mobilization rally for implementing the guidelines of the speeches by the central leading comrades and for rapidly effecting a fundamental improvement in party style. At this time, I would like to speak on three subjects:

1. We Should Conscientiously Study and Profundly Comprehend the Guidelines of the Speeches by the Central Leading Comrades.

The important speeches made by Hu Yaobang, Zhao Ziyang, and other central leading comrades at the meeting of cadres of the central organs have correctly analyzed our country's political and economic situations since the 3d Plenary Session of the 11th CPC Central Committee, have profoundly expounded the extreme importance of strengthening the building of party style, and have definitely put forward the tasks, principles, and measures for rectifying party style, thus constituting an important weapon for strengthening the building of party style under the new historical conditions. All units should organize the broad masses of party members and cadres, leading cadres of various levels throughout the province in particular, to conscientiously study the speeches by the central leading comrades, and to profoundly comprehend the essence of the guidelines. Through study, we should unify our understanding of the current situation, further implement the strategic principle of simultaneously grasping the building of the "two civilizations," clearly understand the position, role, and important political tasks of the leading organs, and take the lead in rectifying party style. We should also attend to building the party ideology and work style, with the emphasis on raising efficiency, exerting ourselves in study, rigorously enforcing discipline, and intensifying the party spirit. We should carry forward the spirit of the "foolish old man," and work firmly, tenaciously, and conscientiously in order to ensure that the provincial-level organs will effect a fundamental improvement in party style within this year.

We should repeatedly and penetratingly study the speeches by the central leading comrades, rather than only reading them once or twice, and should solve our problems in close combination with the practical situations. On the basis of studying the documents well and enhancing understanding, all units should investigate and revise their plans and measures for fundamentally improving party style in line with the demands of the CPC Central Committee and through the method of combining the efforts of higher levles with those of lower levels. All units should also conscientiously rectify their party style, correct their unhealthy trends, and actually implement all measures in this regard.

2. We should Conduct "Four Checks" From the Top Downward, and Further Reveal and Solve Problems

To implement the guidelines of the speeches by the central leading comrades and to successfully build party style, we must conscientiously reveal and solve the major problems regarding party style. All units should spend a fixed period of time on conducting the "four checks" from the top downward. The "four checks" are as follows:

First, we should check the corruption. In line with the demands of the circulars issued by the General Offices of the CPC Central Committee and the State Council, we should check and correct such serious problems as purchasing imported cars and replacing older cars with deluxe limousines; arbitrarily sending persons for travel abroad, using a huge sum of public funds; indulging in extravagance and waste while giving banquets and gifts; seeking illegal incomes; and taking advantage of one's position and power to provide conveniences for one's children and relatives to engage in business. We should also eliminate all corrosive phenomena, and such evil trends as abusing power for personal gain and seeking the interests of individuals and small groups at the expense of the overall interests, disregarding the basic purpose of wholeheartedly serving the people.

Second, we should check bureaucracy. All units should emphatically check themselves to see whether they have indulged in such serious bureaucratic styles as being irresponsible for the party and the people and neglecting one's duty; whether they have been devoted to holding "excessive meetings" and issuing "excessive documents," to the neglect of delving into the realities of life to conduct investigations and studies; whether they have issued more general calls but given less specific guidance; whether they have indulged themselves in empty rhetoric, while performing no concrete deeds; whether they have had such a listless work style as "not blushing with shame while being criticized, not worrying about backwardness in work, and refusing to find a solution for failure to accomplish tasks"; whether they have handled affairs in a dilatory and

ineffective manner; whether they have rendered good services; and whether they have indulged in the Yamen work style, such that people "seldom can enter the doors, see smiling faces, and get business done at organizations."

Third, we should check liberalism. We should chiefly check the phenomena of disregarding organization and discipline and "enforcing neither orders nor prohibitions"; the practice of seeking good relations with all and sundry at the expense of principle, neither resisting nor struggling against unhealthy trends, and allowing them go rampant; the trend of conducting neither criticism nor self-criticism for fear of losing the "black gauze cap" in the case of criticizing higher levels, for fear of losing the "ballot" in the case of criticizing lower levels, and for fear of affecting unity and work performance in the case of criticizing those at the same levels; and the tendency of creating, believing in, and passing on hearsay, and even spreading rumors and slanders against other comrades. Political liberalism is, in essence, individualism. It weakens our party's combat strength; interferes with and hinders the implementation of the party's line, principles, and policies; and causes great harm. We should resolutely resist and correct it.

Fourth, we should check the sense of party spirit. We should chiefly check whether we are just and fair, and uphold party spirit and the principle of appointing people on their merits in conducting personnel affairs; whether we have the problem of stressing personal relations at the expense of party spirit and principle; whether we have established a "network of personal relations" and small coteries; and whether we have pleaded for those who committed mistakes or crimes. In the meantime, we should approach the problems of power abuse for selfish gains, serious bureaucracy, and political liberalism from the perspective of party spirit. We should examine ourselves to see whether we have a strong sense of party spirit, a firmly-fostered idea of serving the people wholeheartedly, and good performance with regard to Communist Party members' exemplary and vanguard role. Only by so doing can we distinguish right from wrong, enhance our awareness, and solve our problems once and for all.

In conducting the "four checks," we should not allow a small number of persons to check behind closed doors, but should rely on the masses and follow the mass line. Leading cadres should go deep among the masses of their own units, the subordinate units under their leadership, and the people whom they are to serve, and widely give heed to their opinions through forums, heart-to-heart talks, or visits. They should have the courage to face up to the problems their units or they themselves have, and refrain from shielding shortcomings or unhealthy trends on any pretexts. We should neither put ourselves under the patronage of higher levels nor compete with lower levels, but should examine ourselves in a down-to-earth manner. Leading persons at all levels should take the lead and promote the work of the next lower levels. If they take the initiative in checking and correcting their serious unhealthy trends committee since 1985 and return or compensate for their illegal gains, more lenient organizational measures may be adopted in handling their cases. They may be exempted from punishments or be given lenient punishments instead of severe ones. Problems arising after the promulgation of the provincial CPC Committee's "10 prohibitions" should be dealt with more sternly.

We should both extensively check and uncover problems and thoroughly analyze typical cases and hold discussions concerning them. We should hold discussions on the four topics of enhancing party spirit, strengthening discipline, raising efficiency, and changing work styles one by one, and solve the problems, clarify the right and wrong, and sum up the experiences and lessons in each of them one by one.

Leading bodies should hold the discussions separately and also together with the masses of party members in order for them to promote each other.

3. We Should Strengthen Leadership, and Pay Attention to It Ceaselessly

The provincial CPC Committee demanded that party and government leading organs at the provincial, prefectural (city), county, and township levels basically achieve a fundamental turn for the better in party style within this year. The provincial organs should take the lead in this work. Therefore, the provincial CPC Committee decided to establish a leading group for improving the party style of provincial organs, with Comrade Gao Zhanxiang as its leader, and Comrades Bai Shi and Lu Chuanzan as deputy leaders. The party leading groups and party committees of various offices and bureaus should put the work of improving party style high on their agenda, their secretaries should attend to it personally, and they should each assign a major leading comrade to grasp it in a concentrated manner. The provincial Discipline Inspection Commission should put more efforts, and the CPC committees of the provincial organs should put their major efforts, on improving the party style of provincial organs.

Party style must be grasped in both a resolute and sustained manner. The improvement of party style must not be carried out in such a way that it is sometimes tight and sometimes relaxed, and sometimes firm and sometimes tentative. Party style must be grasped in a step-by-step manner. We will never stop until we achieve this goal. We must further perfect and implement the system of grasping party style on a responsibility basis. We should regularly analyze the situation regarding the party style of all units in order to clearly understand which units have realized a fundamental turn for the better in party style and what measures they should take to further strengthen the improvement of party style; which units have realized a basic turn for the better in party style, what problems they still have, and what measures they should take to solve the existing problems; and which units have more problems, and why these problems exist. After knowing the situation, we should give instructions, in accordance with different conditions, to help these units solve problems. We must not demand uniformity for all the units in realizing a fundamental turn for the better in party style at the same time because of their different actual conditions. Leaders at all levels should concentrate efforts on helping the units with more problems change their outlook within a definite period of time. While attending to the improvement of party style, all departments and units should bring their functions into full play and focus on checking and handling major and appalling cases to consolidate the established practices, particularly to solve the prominent problems concerning which the people have many complaints, such as "electricity despots," "road despots," "grain and edible oil embezzlers," and people who seek private gains by granting loans to others. Efforts must be made to eliminate these unhealthy practices and to foster a healthy atmosphere. We must closely combine the straightening out of party style with reform and the current work. Along with the realization of a fundamental turn for the better in party style, we should better achieve the work in all fields and ceaselessly make new achievements. The provincial CPC Committee planned to organize forces to comprehensively inspect the situation regarding the straightening out of party style among all departments and bureaus before "1 July."

We should enhance the construction of leading bodies in grasping party style. The leading cadres who persistently do not correct their serious problems in work style or who fail to effectively correct the unhealthy practices should be readjusted and replaced. Simultaneously, we should vigorously commend the comrades with lofty mental outlook and fine work style and the comrades adhering to principles and bravely resisting unhealthy practices.

It is of great importance that leading cadres and leading organs should set an example and the broad masses of the party members should play an exemplary vanguard role in straightening out party style and correcting unhealthy practices. By responding to the call of the CPC Central Committee, all party members must, from now on, take the initiative and go into action and stand in the forefront of the work of straightening out party style. All party members should abide by the party constitution and the guiding principle for inner-party political life in an exemplary manner. Party members must not indulge in unhealthy practices. The party members involved in the nuhealthy practices should actively make corrections, and bravely wage struggle against all unhealthy practices. We should bravely expose the unhealthy practices involving leading cadres, particularly leaders of the provincial CPC Committee. We must eliminate some party members' negative attitudes, such as drifting with the tide, waiting and watching, blaming everyone and everything but themselves, and talking a lot but doing nothing. It is completely possible to accelerate the pace of the realization of a fundamental turn for the better in party style as long as all the party members of the provincial-level organs go into action.

To promote a fundamental turn for the better in social order with the realization of achievements in effecting a fundamental turn for the better in party style is an unshakable task of great importance in the political field. Time is pressing. The broad masses of party members and cadres of the provincial-level organs must further go into action, make concerted efforts to conscientiously implement the directives of the central authorities and the plans of the provincial CPC Committee, work solidly, and take the initiative in making contributions to straightening out party style, so that the provincial-level organs will really set an example for the entire province in this regard.

WAN LI, NI ZHIFU AT TIANJIN SPRING FESTIVAL SOIREE

SK080756 Tianjin City Service in Mandarin 1430 GMT 7 Feb 86

[Text] The 1986 Tianjin municipal Spring Festival soiree on supporting the Army and giving preferential treatment to families of servicemen and on supporting the government and cherishing the people was held at the cadres club this evening.

Wan Li, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, attended the soiree and cordially met with representatives from all walks of life prior to the opening of the soiree. Among them were veteran cadres who have retreated to the second or third line, model workers, teachers of primary and middle schools, PLA commanders and fighters, experts, professors, and literary, art, and physical culture workers.

Also joining the interview and soiree were leading comrades of Tianjin Municipality, including Ni Zhifu, Li Ruihuan, Wu Zhen, Tan Shaowen, Nie Bichu, Zhang Zaiwang, Zhang Dinghua, Zheng Guozhong, and Lan Baojing.

Mayor Li Ruihuan extended Spring Festival greetings to all the people in Tianjin on behalf of the municipal CPC Committee, the municipal People's Congress Standing Committee, the municipal government, and the municipal CPPCC Committee, wishing them happiness during the festival days.

HEILONGJIANG'S SUN WEIBEN DELIVERS SPEECH

SK092358 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 8 Feb 86

[Spring Festival speech by Sun Weiben, secretary of the Provincial CPC Committee, carried on provincial radio and television networks -- recorded]

[Text] Comrades, friends: The Spring Festival, the traditional festival of the Chinese nation, has come. On the occasion when the people are seeing off the old year and greeting the new, please allow me to extend cordial regards and heartfelt thanks on behalf of the Heilongjiang Provincial CPC Committee and the provincial People's Government, to comrades on all fronts who have worked diligently and stuck to their work posts during the festival days and to send festive greetings to the broad masses of workers, peasants, intellectuals, cadres, PLA soldiers and commanders and fighters of the armed police force and the people of various nationalities and from all walks of life who have been working hard on all fronts in vitalizing Heilongjiang.

In the past year our province scored new achievements in economic construction and all other undertakings. Like other places in China, our province's economic and political situation the past year were one of the best since the founding of the People's Republic. We should attribute this success to the line, principles, and policies of the CPC Central Committee and to the concerted efforts of the people throughout the province in scaling heights and working in unity. At the time when spring has come on earth and everything looks fresh and gay, our people throughout the province should jointly share such happiness and success. This is the first year for implementing the Seventh 5-Year Plan. The tasks facing us are very arduous and complicated. Therefore, we must exert more conscientious efforts and take the initiative in implementing the guidelines of the National Conference of Party Delegates; persist in grasping the two civilization simultaneously; adhere to the strategic policy of reforming systems, carrying out technical transformation, opening the province to other provinces and foreign countries and developing resources; enhance our spirit, work hard quietly, and make a good beginning for successfully accomplishing the Seventh 5-Year Plan.

This year we should strive to make steady progress in building the socialist material civilization, enable the province's economic and social development to attain a new level, continue to speed the progress in reform of the economic structure focusing on reform of the urban economy with untiring efforts, and ensure a sustained, steady, and coordinated development in the province's various undertakings. We should act resolutely in accordance with the CPC Central Committee's principle of consolidation, digestion, supplementing, and upgrading, conscientiously review the province's reform experiences in the previous stage, consolidate reform achievments, and strive to solve all problems in the previous stage of reforms within a short time in order to make various reforms yield better results and to make preparations for achieving important steps in the coming 2 years.

During this year, we should prominently stress the rectification of party style and improvements in social habits in the course of building the socialist spiritual civilization, exert great efforts, and achieve actual results. Party organizations at all levels throughout the province should resolutely study a series important speeches of the central leading comrades and the guidelines of their directives, foster healthy trends and check malpractices with an attitude of earnestness, conscientiousness, and responsibility, and successfully rectify party style. The leading organs and cadres at all levels should play an exemplary role. They should first do what they want lower levels and other people to do and not do what they forbid the lower levels and other people to do.

A good party style will not only produce an impact on social habits and promote improvements in the general mood of society, but will also greatly promote the building of material civilization and stimulate a rapid development in various construction undertakings.

Trying our utmost to make the richly endowed and beautiful Heilongjiang into a more prosperous province, and making the urban and rural people become wealthy within a short time are the common desire and responsibility of the 33 million people of the province. The provincial CPC Committee and government are convinced that in the new year, the people throughout the province will surely take the whole situation and public interests into account with an attitude of being masters of the state, exert all-out efforts, make new progress, work with one heart and one soul, work painstakingly, do a good job in all fields of work in a down-to-earth manner, contribute their wisdom and intelligence to vitalizing Heilongjiang, and create new achievements in Heilongjaing's development and leap forward with hard work and sweat.

Finally, I wish you all joy and happiness in the Spring Festival and much happiness for your families.

JILIN SECRETARY EXTENDS SPRING FESTIVAL GREETINGS

SK090216 Changchun Jilin Provincial Service in Mandarin 2200 GMT 8 Feb 86

[Text] On the evening of 8 February, Comrade Gao Di, secretary of the Jilin Provincial CPC Committee, gave a speech via television at the Jilin television station. He extended Spring Festival greetings to all people throughout the province.

In his speech, Comrade Gao Di, on behalf of the Jilin Provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the provincial military district, extended cordial regards and festive greetings to all workers, peasants, intellectuals, cadres, PLA units stationed in the province, broad masses of commanders and fighters, the public security cadres and policemen, the various democratic parties and nonparty patriotic personages, retired veteran cadres and intellectuals, all students, young people, children, and their teachers the Taiwanese compatriots residing in the province, family members of Taiwanese compatriots, returned Overseas Chinese, and all foreign experts and friends who have come to the province to help in the four modernizations construction. He also heartily thanked the comrades and their family members who have persisted in production and stayed at their work posts during the festive days.

Comrade Gao Di briefly reviewed last year's work and achievements in reform, party rectification, industrial and agricultural production, antiflood and rescue work, and combating disasters and carrying out production through self-reliance. He also put forward new demands on the work of 1986.

JILIN COMMITTEE HOLDS SPRING FESTIVAL PARTY

SK080812 Changchun Jilin Provincial Service in Mandarin 1030 GMT 7 Feb 86

[Text] In order to warmly celebrate the 1986 Spring Festival, the Jilin Provincial CPC Committee and the provincial People's Government, the Changchun City CPC Committee and the city people's government, the Jilin Provincial Military District, and the PLA units stationed in Changchun jointly held Spring Festival get-togethers this afternoon for the party, government, and Army organs and the people at the auditorium of the provincial guesthouse, the provincial workers' cultural palace, Bayi Auditorium, and Chuncheng Theater.

THe sites for the get-togethers were decorated with lanterns and colored streamers and were filled with a happy festive atmosphere. Soon after 1300, leading comrades of the provincial and Changchun City party, government, and Army organs and the responsible comrades of the various democratic parties, including Gao Di, Wang Xianjin, Gao Dezhan, Wang Zhongyu, Wang Daren, Zhao Xiu, Liu Jingzhi, Zhang Shiying, Xiao Chun, Liu Yunchao, (Du Qinglin), Hui Liangyu, (Li Deming), Wang Jiping, Li Shuren, Chen Hong, Feng Yingkui, Huo Mingguang, Li Cikai, Cheng Shengsan, Wu Duo, Cui Lin, Wang Jiren, Yu Ruihuang, Zhu Jinghang, Xu Yuancun, Gao Wen, Liu Shulin, Wang Jinshan, Zhang Fenggi, Zhang Dexin, He Yunging, Geng Yuelun, Luo Yuejia, Xin Cheng, Jin Minghan, Cai Qiyun, Chen Xingyin, (Qian Guo), (Meng Guicheng), Kang Baoren, Wu Lequn, Zhu Qingguo, (Hu Yixia), Chen Zhenkang, (Wang Li), and (Wang Jiatong); retired veteran cadres of the province, including Li Diping, Yu Lin, Yu Ke, Zhang Kaijing, Zhao Tianye, (Xu Linqi), Wang Guanchao, and (Yue Lin); other leading comrades of the province, Changchun City, and the PLA units stationed in Changchun; and retired veteran cadres, jubilantly went to the assembly sites in succession with smiling faces, to celebrate the Spring Festival of the Year of the Tiger along with representatives of the masses and cadres from all walks of life, and of the PLA commanders and fighters.

Before the get-together, leading comrades of the provincial and Changchun City party, government, and Army organs met with one another at the meeting room of the provincial guesthouse to exchange Spring Festival regards. Comrade Gao Di, secretary of the provincial CPC Committee, gave a speech. He reviewed the moving scenes of the past year when the broad masses of Armymen and people worked hand in hand and struggled in unity in reform, in the antiflood and rescue work, and in building the two civilizations. He expressed the hope that this year, they will continue to implement the guidelines of the National Conference of Party Delegates, to strengthen unity between the army and the government and between the army and the people, and to exert efforts to realize the Seventh 5-Year Plan and fundamental improvements in party style and social conduct, and to win new victories in economic and national defense construction. At the get-togethers, leading comrades of the provincial and Changchun City party, government, and Army organs watched two color feature films made in China: "An Enchanting Band" and "Our Retired Soldiers."

LIAONING LEADERS GREET WORKERS ON SPRING FESTIVAL

SK090618 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 8 Feb 86

[Excerpt] On the eve of the Spring Festival, leading comrades of the provincial CPC Committee, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, including Li Guixian, Quan Shuren, Li Changchun, Sun Qi, and Li Zemin, went separately to the urban and rural areas in Shenyang, Anshan, Fushun, Liaoyang, Benxi, and Tieling cities to extend regards to workers, staff members, and public security cares and policemen on duty. They also went to the rural areas to extend Spring Festival greetings to peasants.

This morning, Li Guixian, secretary of the provincial CPC Committee; Feng Yousong, vice chairman of the provincial People's Congress Standing Committee; and Yue Weichun, vice chairman of the provincial CPPCC Committee, as well as other leading comrades, went to the Anshan City hospital, the Anshan bicycle general plant, and the No 2 steel rolling mill and smelting mill of Anshan Iron and Steel Company to visit the medical workers, cadres, and workers on duty. In the Anshan bicycle general plant, Li Guixian, secretary of the provincial CPC Committee, encouraged the plant leaders to exert greater efforts this year. Plant leader (Hu Jue) expressed the determination to produce 1 million Plum Flower-brand bicycles this year. Comrade Li Quixian also watched the electroplating production line imported from Japan and extended Spring Festival greetings to plant workers on duty.

XINJIANG'S SONG HANLIANG ON AGRICULTURAL ISSUES

HK030215 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 2 Feb 86

[Excerpts] Regional CPC Committee Secretary Song Hanliang pointed out in his speech at the recent regional conference on rural work that the region's rural and pastoral areas are now at the historical stage of switching from self-sufficient and semi-self-sufficient economy to commodity economy. To suit this new situation, the thinking of the cadres at all levels must undergo a great change.

Comrade Song Hanliang said: To achieve a change in thinking, it is first necessary to enhance understanding of commodity economy. The full development of commodity economy is an essential condition for the attainment of agricultural modernization in Xinjiang. The previous idea of setting socialist economy against commodity economy was an erroneous leftist way of thinking that does not accord with the laws of socialist development. Such an idea is extremely harmful for the development of socialist economy.

Second, we must establish the concept of commodity economy. Song Hanliang pointed out: Many places shout about developing commodity production, but in fact they only bother about production and fail to get a proper grasp of circulation. They are only concerned about producing so many things, without actively taking steps to turn them into commodities by organizing their transport and sales. In fact, the development of commodity production has not yet been placed, or completely placed, in an important position on the agenda of the party committees.

Everybody often thinks about the rich resources of Xinjiang. It is true that our resources are rich. But unless we develop commodity production, there is no way of turning strong points in resources into commodity and economic strong points, and it is very hard to invigorate our economy. Due to restriction by the management setup and the influence of traditional habits, the agricultural departments in Xinjiang have for a long time only bothered about production without grasping sales. Since this is the case in the upper levels, how can the development of rural economy be promoted?

Comrade Song Hanliang stressed: Beginning this year, the party committees, government, and agricultural departments at all levels must apply the concept of commodity economy to guide and organize agricultural production. The agricultural departments must concern themselves with circulation and sales as well as production. Apart from increasing production, they must also improve economic results and ensure that the peasants enjoy tangible benefits.

It is certain that the agricultural departments will encounter many difficulties in acting in this way. There are problems in the system, and there are problems in relations between different departments. When encountering problems, we must solve them, based on the spirit of reform.

SHANGHAI MAYOR GREETS TAIWAN COMPATRIOTS

OW090404 Shanghai City Service in Mandarin 0100 GMT 8 Feb 86

[Excerpts] On the eve of the Spring Festival, Mayor Jiang Zemin extended his Spring Festival greetings on behalf of the 12 million people in Shanghai to those in Shanghai with relatives in Taiwan and to the 19 million Taiwan compatriots on the other side of the Taiwan Strait. Mayor Jiang sent his Spring Festival message through a program of the Central People's Broadcasting Station beamed to Taiwan and through the Voice of the Strait radio station. He briefed the Taiwan compatriots on the situation in opening Shanghai to the outside world and the plans for transforming and rejuvenating Shanghai. On behalf of the Shanghai Municipal CPC Committee, he welcomed the Taiwan compatriots to invest, run factories, and do business in Shanghai. He welcomed ships from Taiwan to come to Shanghai. He said that the Port of Shanghai will make arrangements to load and unload cargo from the ships from Taiwan on a priority basis. He also welcomed people of all walks of life in Taiwan to visit their friends and relatives, tour various localities, give lectures or study, carry out academic exchanges, engage in literary and art performances, and participate in various sports activities in Shanghai with the aim of enhancing mutual understanding.

Mayor Jiang said: Historically there have been profound economic and cultural ties between Shanghai and Taiwan. We hope that we will be able to end the separation of the nation and to join our efforts in contributing to China's rejuvenation.

The municipal CPPCC Committee and the United Front Work Department of the CPC Central Committee held a Spring Festival tea party on 7 February for those who have relatives in Taiwan. Invited to attend the tea party were people in Shanghai whose relatives are high-ranking military and government leaders in Taiwan and those who came from Taiwan to settle in Shanghai this year. They joined the responsible persons of the municipal CPPCC Committee, the United Front Work Department of the municipal CPC Committee and various democratic parties in the celebration of the Spring Festival.

FEDERATION URGES REUNION OF SEPARATED FAMILIES

OW081817 Beijing in Mandarin to Taiwan 0400 GMT 8 Feb 86

[Undated letter of Spring Festival greetings from the All-China Federation of Taiwan Compatriots to all people in Taiwan]

[Text] Dear Taiwan kinfolk: Firecrackers have sent off the old year and red scrolls ushered in the new one. On the occasion of the Spring Festival, we Taiwan natives residing on the motherland's mainland hereby extend our Spring Festival greetings to our people back home. We wish you a happy Chinese New Year, good health, and satisfaction in everything. On this festival of the Chinese nation, with its traditional happy family reunions, we are particularly longing for our native province and our relatives. We think that you too are longing for your relatives on the mainland.

It is gratifying that in recent years there has been a new development of the trend for a peaceful reunification of the motherland, thanks to the joint efforts by personalities of various circles and Taiwan compatriots at home and abroad. Many family members separated by the Taiwan Strait have heard from each other again. Taiwan fishing boats constantly visit the mainland. The entrepot trade between Taiwan and the mainland is now on the rise. The number of people from Taiwan who come to visit their relatives or seek their roots on the mainland has been increasing year after year. At international meetings, Chinese from both sides of the Taiwan Strait chat with each other cordially.

Students from the mainland and students from Taiwan studying in foreign schools are living harmoniously together. A national sentiment that blood is thicker than water has closely bound together the hearts of all Chinese. The concept of one country, two systems for peaceful reunification of the motherland advocated by the Chinese Communist Party and the people's government and the truth about the reforms, opening to the outside world, and the building of the two civlizations on the mainland have been known to our kinfolk in Taiwan. Breaking through all kinds of obstructions, many people in Taiwan are openly discussing the issue of reunification of the motherland and the future of Taiwan. Our compatriots residing abroad, deeply concerned about the cause of the motherland's reunfication, are pooling their wisdom and efforts to play the role of a bridge. The rapid development of exchanges and dialogue between the people's across the Strait shows bright prospects for the motherland's peaceful reunification.

Dear Kinfolk: The unfortunate split has separated several million family members across the Strait for 37 years. Year after year, they have reunited with their relatives only in their dreams. On the occasion of this festival, many old people are in tears, longing for a reunion with their loved ones back home. Many young people who have never seen their parents' hometowns yearn to go there to visit many of their relatives whom they have never met.

In today's world, it takes only a short time to cross an ocean. However, the 100-mile Taiwan Strait has become an impassable moat, making people unable to see their relatives in the same country for the rest of their lives. Such a tragedy is unreasonable and against the people's aspirations, and we should not let it continue any longer. For this reason, we earnestly propose that visiting groups be organized as soon as possible on both sides of the Strait to let people visit their **relatives across the** Strait and let long separated family members reunite with each other and share family happiness together in their remaining years. We appeal to all associations of fellow townsmen in Taiwan to support our proposal. We also hope that all Taiwan compatriots residing abroad will continue to serve as a bridge and make joint efforts to urge the Taiwan authorities to respect the people's wishes and facilitate visits and reunions between relatives across the Taiwan Strait. We cordially hope that normal exchanges between the people across the Strait will be restored at an early date, and that the long-cherished wish of the nation for a peaceful reunification of the motherland will come true soon. Let us, the 1 billion Chinese people unite, join hands to revitalize China, and make our country, including Taiwan, even more prosperous. Let us work hard together to usher in the day of reunion between family members across the Strait.

OFFICIALS GREET TAIWAN COMPATRIOTS ON FESTIVAL

OW081848 Beijing XINHUA in English 1831 GMT 8 Feb 86

[Excerpts] Fuzhou, February 8 (XINHUA) -- Some prominent figures on the mainland extended their Spring Festival greetings to their colleagues and friends in Taiwan over the radio "Voice of the Straits" on the eve of the Spring Festival. Mao Yisheng, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and a noted expert of bridge engineering, said he hoped to see a "bridge" built across the Taiwan Straits to link the national feelings of the people on both sides. Zhu Tianshun, vice-chairman of the All-China Federation of Taiwan Compatriots, had been away from Taiwan for more than 40 years. As more and more people in Taiwan now favored the idea of resuming posts and telecommunications, navigation and trade links and an early realization of peace negotiations, he said, "the reunification of our motherland is very hopeful." Xie Xide, president of Fudan University, congratulated many Fudan alumni now working in Taiwan on their achievements in teaching and research. She hoped that they would be able to exchange their experience.

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WANG BINGNAN DISCUSSES WORLD FORCE FOR PEACE

OW101027 Beijing Domestic Service in Mandarin 0200 GMT 9 Feb 86

[Radioscript by Wang Bingnan, chairman of the Organizing Committee for the International Year of Peace of China and adviser to the Chinese People's Association for Friendship With Foreign Countries: "Strive for Lasting Peace, Promote Common Prosperity" -- read by announcer]

[Excerpts] We have sent off 1985, a year significant to the people in the world, and we have also joyfully ushered in the year 1986. Chinese, like other people in the world, earnestly hope that 1986 will bring peace, prosperity, and happiness to the people of all countries. The Chinese Government and people attach great importance to and actively support the United Nations decision on designating 1986 as the International Year of Peace. In May 1985 we set up the Organizing Committee for the International Year of Peace of China.

The international situation remained turbulent in 1985. Some countries in Southwest and Southeast Asia, the Middle East and Central and South America were occupied by force. Their people were massacred, their sovereignty was infringed upon, and their internal affairs were interfered with. They were the hot spots of contention of power politics.

The two superpowers -- the United States and the Soviet Union -- are extending their nuclear arms race from land, sea, and air to outer space, and the threat of war is everywhere. While the force of war is constantly increasing, more and more countries are striving for international peace, and more and more people are participating in peace movements. An unprecedented number of people, under the banner of peace, are working hard together to oppose hegemonism and defend peace. The unprecedented development of the world peace force is playing a great role in containing the force of war. This is where the strength and hope for the prevention of a world war lie.

Merely wishing for peace is not enough to win it. All the people in the world must work together to ensure that the superpowers, who possess 95 percent of the world's nuclear arsenal, stop the arms race, particularly the nuclear arms race, and take the lead in drastically reducing their nuclear and conventional armaments. The people of the world must prevent the superpowers from conducting their arms race in outer space, and take further action to bring about a complete prohibition and thorough destruction of nuclear weapons in order to eliminate the danger of a new world war. China does not take part in the arms race and is opposed to it. In international affairs, China always strives for disarmament. The Chinese Government has decided to reduce the strength of the PLA by 1 million troops in 1985 and 1986.

In the present world, only the United States and the Soviet Union have the capability to fight a world war. However, this does not mean that they dare to start one. Under the current international situation, neither the White House nor the Kremlin will find it easy to make such a decision. As the force of peace in the world grows day by day, whoever dares to start a world war against the will of the people will surely come to a disgraceful end, as have all aggressors in the past.

Neither the United States nor the Soviet Union dares to start a world war rashly, for they know that in the nuclear age neither will gain in a war between them. For this reason, they are maintaining a peace under a nuclear deterrent. For a period in the future, the trend of U.S.-Soviet relations will be the coexistence of confrontation, dialogue, and compromise. They will contend with each other without losing self-restraint, and will conduct dialogue without relaxing contention.

Moreover, constant escalation of the arms race between the United States and the Soviet Union has sharply increased their military spending and aggravated their economic difficulties, causing stronger and stronger complaints and objection among their people. If they start a world war, the people will complain and object even more. At present, more and more Americans are dedicated to the cause of peace, and the peace movement has extended from Washington to all large and medium-sized cities, college campuses, farms and ranches, with its spearhead pointing at the ruling clique's expansionist and arms expansion policies. The Soviet people, who suffered greatly from the disaster of war, particularly treasure peace, repudiate war, and are working for peace. Therefore, American and Soviet efforts and their struggle are also an important part of the force defending world peace.

Japan and other developed countries in Europe and Oceania and their people are also taking positive steps to defend world peace in accordance with their own situation and conditions. They represent another important force restricting the activities of the superpowers.

In short, Chinese people need peace, and so do people in other parts of the world. Peace and development are the two major tasks of the present world. Development must have peace. Defense of world peace relies on economic development and common prosperity of all countries in the world. Peace and development are closely related. They affect and help each other. We should seek development in peace, and make developments to promote peace. A Third World with a constantly developing economy will be a powerful force in promoting world economic prosperity and defending world peace. Therefore, China resolutely advocates strengthening South-South cooperation, promoting North-South dialogue, and reforming the old, unreasonable international economic order through global negotiation in order to achieve a common prosperity and defend world peace.

The people of all countries who suffered a great deal during the two world wars are active in the international arena and are determined to keep their destiny in their own hands. The billions of people in the world -- regardless of nationality, color, occupation, life style, religion, and ideology -- are appealing, working, and struggling for a common goal -- world peace. This is a truly powerful deterrent force. In essence, the deterrent force of the peace-loving countries and people is far greater than the superpowers' nuclear and conventional deterrent force. We may say that the possibility of preventing a world war and defending world peace is greater today than at any other time before.

We are convinced that the prospects for peace are good and the future of mankind is bright.

FUJIAN LABOR EXPORT, JOINT VENTURES REPORTED

OW071025 Fuzhou FUJIAN RIBAO in Chinese 28 Jan 86 p 1

[Summary] Last year, Fujian signed 74 new contracts for construction projects abroad, exports of labor, and joint ventures with a total value of $42 million, close to the sum total in the previous 5 years. By the end of last year, some 2,400 people working abroad hailed from Fujian. Last April, the Zhongfu Fuzhou Company signed a contract with YAR on jointly running the Chinese-Yemeni Friendship Metal-Making Corporation, Ltd. Last August, the corporation started production of good quality, inexpensive metal products.

U.S. CARRIERS TO CONDUCT EXERCISES OFF LIBYA

OW110318 Beijing XINHUA in English 0242 GMT 11 Feb 86

[Text] Washington, February 10 (XINHUA) -- Two U.S. 6th Fleet aircraft carriers, the USS Coral Sea and the USS Saratoga, will conduct four days of air and sea maneuvers off the Libyan coast in the central Mediterranean starting Tuesday night, the U.S. Defense Department announced today. This is the second U.S. aircraft carriers exercise in the same zone in less than one month. Late last month, the two carriers were in that area for one week of flight operations, which Washington called "a war of nerves against Libya."

The decision to return two aircraft carriers to the Gulf of Sidra off the Libyan coast and conduct a new round of operations came just three days after Libya's announcement that its Navy, Air Force and Air Defense units had started a week of maneuvers with live ammunition within the Gulf of Sidra. According to Pentagon officials, it is possible that two aircraft carriers may cross into the Gulf of Sidra, which Libya considers part of its territorial waters. The U.S. only recognizes Libyan territorial limits as extending 12 miles from shore. Tensions off the Libyan coast have increased since the two U.S. aircraft carriers entered the central Mediterranean earlier last month following allegations that Libya supported terrorist attacks at the Rome and Vienna airports on December 27 last year.

EVERYTHING READY FOR EAST-WEST SPY SWAP

OW110302 Beijing XINHUA in English 0246 GMT 11 Feb 86

[Text] Bonn, February 10 (XINHUA) -- Everything is ready today for the East-West exchange of spy prisoners scheduled for tomorrow on Glienicke Bridge connecting West Berlin with the Democratic German city of Potsdam. According to DPA, five prisoners from each side are involved in the swap, including Anatoliy Shcharanskiy, a Soviet social activist sentenced to 13 years in 1978 on charges of spying for the United States. Others to be released are yet to know.

Officials from the U.S., the Soviet Union and the two Germanys have been taking part in the preparation for the exchange. Journalists have camped out near the bridge for several days, waiting for dispatching live reports on the exchange operation. U.S. military authorities in West Berlin today ordered reporters away from the checkpoint, saying they will set up a news center near the spot.

COOPERATION URGED BETWEEN MARCOS, AQUINO

OW110756 Beijing XINHUA in English 0714 GMT 11 Feb 86

[Text] Washington, February 10 (XINHUA) -- The U.S. Government today called on the two sides in competition in the Philippine presidential election to "work together to form a viable government and to implement reforms in political, economic and military areas." At a briefing here today, White House spokesman Larry Speakes expressed concern about reported violence and fraud in the Philippine elections. However, he said the Filipino people will determine if the elections are legitimate. The elections demonstrated that both parties have "significant popular support from millions of Filipinos," he said. "There is obvious enthusiasm for the electoral process on the part of the Filipino citizens," the spokesman added.

Earlier, President Ronald Reagan told reporters that his government would encourage the Marcos and Aquino camps to come together "to make sure the government works" when the election returns are complete. He said, "we want to help in anyway we can." He made it clear that the goal of his policy was to retain the "historic relationship" between the United States and the Philippines. One senior U.S. official said today that "the main thing is that we have a strong and stable Filipino ally in the Pacific for the United States." The Philippines, which used to be a U.S. colony, is now the site of two vital U.S. military bases. This is the first time that White House broke its silence over the bitter competition between President Ferdinand Marcos and his challenger Corazon Aquino for the presidency. However, it declined comment on the possible outcome.

SOVIET ACCESS TO SUPERCOMPUTERS TO BE RESTRICTED

OW101936 Beijing XINHUA in English 1849 GMT 10 Feb 86

[Text] Washington, February 10 (XINHUA) -- The United States will place tight restrictions on Soviet scholars' access to American supercomputers, THE NEW YORK TIMES reported today. The paper quoted National Science Foundation sources as saying that an agreement to that effect was reached between national security officials and the foundation last month after a seven-month debate. The agreement, however, has not been officially announced.

Restrictions are to be imposed because U.S. military officials have contended that Soviet military specialists posing as scholars in this country could make use of supercomputers, which work at high speeds and constitute the world's most powerful computer equipment, to design weapons or break codes. The restrictions will be enforced by government officials by placing standard restrictions on visiting scholars' visas. Last year, four supercomputer centers on campuses were created in Princeton, the University of Illinois, Cornell and the University of California at San Diego. A fifth has recently been added to the program at Carnegie Mellon University in Pittsburgh, thus making the technology widely available to basic researchers for the first time and arousing the concern of the government.

PLO CONDITIONALLY ACCEPTED IN CONFERENCE

OW072012 Beijing XINHUA in English 2003 GMT 7 Feb 86

[Text] Kuwait, February 7 (XINHUA) -- A top Palestinian official said here today that the U.S. has accepted the idea of inviting the Palestine Liberation Organisation (PLO) to the proposed international conference on peace in the Middle East in case the PLO recognise the U.N. Security Council Resolution 242.

But he stressed that the PLO will not recognize the 242 resolution because it deals with the Palestinian crisis as a problem of refugees.

In a telephone interview published in local daily AL-WATAN, Hani al-Hassan, the political adviser of PLO Chairman Yasir 'Arafat, said Washington has agreed on the holding of the international conference following the extensive talks held in Amman over the past few days between top Palestinian and Jordanian officials. The American condition of recognition of the U.S. Security Council Resolution 242 by the PLO constitutes the only remaining obstacle for holding the conference, Al-Hassan noted. The outcome of Amman talks is due to be deliberated by a meeting between U.S. and Soviet foreign ministers, originally scheduled for January 27, Al-Hassan said. He said the meeting between King Husayn and 'Arafat last Wednesday has indicated that Jordan is completely understanding the Palestinian position, and a study of a new formula for joint action that takes into consideration the legitimate rights of the Palestinian people has begun, he added.

An emissary of the U.S. Assistant Secretary of State Richard Murphy has met with Hanna Sanyurah and Fayiz Abu Rahmah, both proposed members of the joint Palestinian-Jordanian delegation, and has been the link between Washington and Amman during the negotiations, Al-Hassan said. An American-Palestinian meeting would take place at any moment, Al-Hassan said, "if we reach an agreement on amending the Resolution 242". But he predicted if the negotiation to amend the resolution fails, the confrontation between the American and Palestinian sides would be escalated.

REAGAN OPPOSES FUNDING CUTS FOR SPACE SHUTTLE

OW090903 Beijing XINHUA in English 0657 GMT 9 Feb 86

[Text] Washington, February 8 (XINHUA) -- U.S. President Ronald Reagan will oppose attempts to reduce funding for the U.S. space shuttle program as a result of last week's explosion of the Challenger and said teachers "are still on the list to go up," according to his speech at Thomas Jefferson High School, Virginia, yesterday. "I don't think that it is going to have any effect with regard to, for example, withdrawing of funds or not, and certainly, I will oppose and fight any effort to do that.," Reagan said in answer to a student's question about the effect of the accident on funding for the U.S. National Aeronautics and Space Administration. The U.S. President reiterated his support for sending nonastronauts into space, despite criticism that the missions are too dangerous.

The speech made for some 1,500 students and local officials was delayed at least a week because of the explosion of the Challenger, in which seven astronauts were killed. Among those on the platform with the President were U.S. Education Secretary William J. Bennett and Judith M. Garcia, a teacher at Jefferson school and one of the 10 finalists for the teacher-in-space berth that went to the deceased Christa McAuliffe, known as the first teacher who would give lessons to children in the Challenger. In his speech, Reagan also pressed for his Strategic Defense Initiative, the "star wars" missile defense, promising to "do everything within my power to move forward with research and testing of a high-tech nonnuclear defensive system."

TASS CONDEMNS 'TEAM SPIRIT-86' IN S. KOREA

OW081759 Beijing XINHUA in English 1519 GMT 8 Feb 86

[Text] Moscow, February 8 (XINHUA) -- The Soviet Union today denounced the decision of the U.S. Administration and South Korean authorities to hold joint military exercises in South Korea beginning February 10. The official news agency TASS said in a statement that the maneuvers on "Team Spirit-86" are a provocative military move that undermines the Soviet Union's security. They pose a direct threat to the Democratic People's Republic of Korea as well as to the Asian-Pacific region.

SOVIET-HEILONGJIANG BORDER TRADE FOR 1985

SK102350 Harbin HEILONGJIANG RIBAO in Chinese 21 Jan 86 p 1

[Summary] In 1985, Heilongjiang Province successfully prefulfilled the state-assigned tasks for exporting 330,000 tons of soybeans and 400,000 tons of corn to the Soviet Union by 4 and 1/2 months and 14 days respectively. In addition, new progress has also been made in Heilongjiang-Soviet border trade. The export and import volume in 1985 reached 32.569 million francs, an increase of 16.6 percent over that of 1984.

PRAVDA CRITICIZES KAZAKHSTAN PARTY LEADER

OW091936 Beijing XINHUA in English 1831 GMT 9 Feb 86

[Text] Moscow, February 9 (XINHUA) -- The first party secretary of the Soviet Kazakhstan Republic, Dimmukhamed Kunayev, has been critisized for his nepotic practice and poor handling of economic affairs, the Soviet party daily PRAVDA reported today. Kunayev was the first Soviet Communist Party Politburo member to be publicly critisized by name since Mikhail Gorbachev became the party's general secretary last March, though he was re-elected as party first secretary in the republic at the Kazakhstan Party Congress which ended Saturday.

During the past five years, PRAVDA said, industrial output in Kazakhstan rose only 19.4 percent instead of planned 23 percent. Milk production dropped to the 1970's level, and grain output was 18 million tonnes short of the state quotas. All these shortfalls were attributed by the congress to the poor management of Kunayev and his assistants. Kazakhstan is one of the Soviet Union's main grain producers. Kunayev, 74, became premier of Kazakhstan in 1955 when the late Soviet leader Leonid Brezhnev worked as the republic's first party secretary. Kunayev was promoted to succeed Brezhnev as the first secretary in 1964 and has been a member of the Soviet party Politburo since 1971.

All Soviet republics, except the Russian Federative Republic, have convened their party congresses and effected leadership changes in preparation for the 27th Soviet Communist Party Congress due to open on February 25. Since last March when Gorbachev was elected the Soviet party general secretary, 19 main leaders in the republics have been removed from their posts. Among them, first party secretaries of Kirghizia, Turkmen and Tajikistan were sacked for "serious mistakes." Meanwhile, six premiers and nine presidents of public Supreme Soviets at the republic level were relieved for neglect of duties or health reasons. According to reports at the republic party congresses, a large number of party and government officials were dismissed, some were expelled from the party or sentenced to imprisonment.

NAKASONE SENDS REPLY TO GORBACHEV MESSAGE

OW110818 Beijing XINHUA in English 0641 GMT 11 Feb 86

[Text] Moscow, February 10 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze today received Japanese ambassador to Moscow Yasue Katori, who delivered a message to Kremlin leader Mikhail Gorbachev from Japanese Prime Minister Yasuhiro Nakasone. The official Soviet news agency TASS did not reveal the content of the message, but informed sources in Moscow said Nakasone insisted he would go to Moscow only after Gorbachev visits Tokyo and expressed appreciation of Shevardnadze's Japan tour last month.

In the letter, which is a reply to Gorbachev's message to Nakasone last month, the Japanese prime minister outlined Tokyo's position in conducting a peace treaty negotiation with Moscow and Japan's comment on Gorbachev's recent call for a total nuclear disarmament within the next 15 years, according to the sources. Nakasone was said to have requested in the letter that Soviet SS-20 missiles deployed in Asia should be withdrawn in case the Soviet Union and the United States dismantled all their medium-range missiles in Europe. The sources said Nakasone also commented on the Soviet proposal for an all-Asia forum to discuss "collective security" arrangements. During the meeting the Soviet foreign minister reportedly expressed displeasure over Nakasone's remarks on February 7, in which the prime minister regretted at the fact that the northern territories of Japan "have not been returned and remain under Soviet occupation."

KENNEDY ADVOCATES COMPROMISE ON ARMS CONTROL

OW080646 Beijing XINHUA in English 0634 GMT 8 Feb 86

[Text] Moscow, February 7 (XINHUA) -- Visiting U.S. Senator Edward Kennedy said today that the Soviet Union and the United States should seek compromise in their arms control negotiations to resolve controversial issues. In a speech over the Soviet television, Kennedy said that divergences between the two countries should not hinder them from the common objective of nuclear arms control. He noted there exist possibilities to check the nuclear arms race and forestall the first nuclear strike from any side. To materialize the possibilities, the two superpowers should make a compromise, he added.

Kennedy arrived here Tuesday at the invitation of the Soviet parliament. He met separately with Soviet leader Mikhail Gorbachev and Foreign Minister Eduard Shevardnadze to discuss the U.S.-Soviet disarmament negotiations in Geneva. Kennedy is a member of the U.S. Senate Armed Forces Committee and belongs to a group monitoring these talks. He ended his four-day visit today.

XINHUA COMMENTARY CRITICIZES 'TEAM SPIRIT'

OW082023 Beijing XINHUA Domestic Service in Chinese 1424 GMT 7 Feb 86

[Commentary by XINHUA reporter Guo Quanyou: "An Act That Goes Against the Trend of the Time"]

[Text] Beijing, 7 Feb (XINHUA) -- At a time when a tiny beacon of hope for peace could be observed on the Korean peninsula, the United States and the South Korean authorities announced on 18 January that the 2-month joint military exercise "Team Spirit-86" would begin on 10 February. Naturally this act against the historical trend evoked a strong response from the Democratic People's Republic of Korea and caused grave concern in the international community.

In recent years, people have been delighted to see that the progress of peace has quickened on the Korean peninsula:

-- In January 1984, Northern Korea put forward the important proposal that tripartite talks be held between Northern and Southern Korea and the United States;

-- In September the same year, when Southern Korea was hit by a big flood, Northern Korea immediately decided to provide large quantities of food, clothing, and medicines to the flood-stricken people in the South free of charge, thus achieving the first exchange of goods since the division of the country 40 years ago;

-- In 1985, four economic talks, three Red Cross Society talks, and two preparatory parliamentary talks were held in a harmonious and friendly atmosphere between Northern and Southern Korea, and initial agreements were achieved on certain issues of principle;

-- For the first time in 40 years, Northern and Southern Korea had their first exchange of visits between art troupes and hometown visiting groups in September 1985, and this breakthrough elated all the Korean people.

According to an agreement between the two sides, the 6th economic talks, the 3d preparatory parliamentary talks, and the 11th Red Cross Society talks will be held in November and December this year. To ensure that these talks proceeded without a hitch, the DPRK Foreign Ministry issued a statement on 10 January announcing solemnly that, beginning 1 February, the republic would suspend all major military exercises throughout the North, and would suspend all military exercises during the bilateral talks. At the same time it also called on the United States and Southern Korea to reciprocate positively. Regrettably, only 8 days later, the United States and Southern Korea flagrantly announced that the "Team Spirit" exercise involving more than 200,000 troops would go ahead "conventionally," thus compelling the Northern side to postpone the three talks. The U.S.-South Korean decision, which obviously shows a lack of sense of historical responsibility and sincerity for peace, certainly has seriously obstructed the joyous progress of peace on the Korean peninsula.

It was alleged that the exercise merely follows "convention" and is aimed at "self-defense." What a "convention!" Who does not know that since 1976, the scale of the military exercises has become increasingly larger each year, the troops involved have increased from the original 90,000 to this year's 200,000, the area covered has kept moving northward, the weapons and equipment used are increasingly advanced, and the number of categories of the exercises have increased from the original dozen or so to more than 20 this year? Is this annual escalation a "convention!" And if this "convention" continues, when will Korea's peaceful reunification be achieved? And how can the United States and the South Korean authorities show their "sincerity for peace?"

The "self-defense" claim is even less plausible. People still remember that the United States and South Korea had declared not long ago that the military exercise was aimed at strengthening the "state of preparedness" and the "capability of joint operation." The imaginary enemy is, of course, the DPRK. Is it possible that the United States is really afraid that North Korean troops are preparing to attack Hawaii? And even if they were, all the United States would need to do is to fight the enemy just beyond the threshold of the country. There is no need to muster tens of thousands of troops and warships from the continental United States and the Pacific region and send them all the way across the Pacific to conduct a so-called "joint military exercise!" As for the South Korean authorities, their lies about the threat of a "southern invasion" have long been refuted by the DPRK. The DPRK Government as time and again reiterated that it simply has no intention to "drive southward," much less settle the issue of reunification of the Korean peninsula by means of war. In fact, the DPRK has put forward a series of major principles and proposals and initialed one practical and positive step after another to bring about early peaceful national reunification. This is a fact known to the whole world.

Obviously, the so-called "following the convention" means only one thing, namely the ever increasing desire to show off military strength, and the so-called "self-defense" is nothing but a cheap lie that has been used as an excuse for carrying out a military threat.

The peaceful reunification of the Korean peninsula is the trend of the times and the desire of the people. The past 40 years have made it clear that military threats can only aggravate tension on the Korean peninsula and endanger peace in Asia and the rest of the world. Therefore, it would be wise for the United States and the South Korean authorities to follow the historical trends and respond to the DPRK's call by immediately canceling the joint exercises, thereby creating the necessary conditions and the good atmosphere for tripartite talks and a summit meeting between Northern and Southern Korea.

DPRK SPOKESMAN URGES HALT TO 'TEAM SPIRIT-86'

OW101022 Beijing XINHUA in English 0906 GMT 10 Feb 86

[Text] Pyongyang, February 10 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today urged the United States and the South Korean authorities to immediately halt the massive joint military war games that began today.

A DPRK Foreign Ministry spokesman denounced the U.S.-South Korean joint military exercises, dubbed "Team Spirit-86", as criminal acts that no only threatened the Northern part of Korea but also undermined peace in Asia and the world. The spokesman said the United States and South Korean authorities must undertake full responsibility for the suspension of the North-South dialogue and for the tense situation on the peninsula.

NORTH KOREA PLACES MILITARY FORCES ON ALERT

OW101608 Beijing XINHUA in English 1542 GMT 10 Feb 86

[Text] Pyongyang, February 10 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) put its military forces on alert Monday amidst the mounting tension created by the U.S.-South Korea war games. The Supreme Command of the Korean People's Army said in a press release distributed by the Foreign Ministry that it has ordered all the units of the military, security forces and home guard "to maintain heightened revolutionary vigilance and be ready for combat mobilization."

The Supreme Command denounced the U.S.-South Korean "Team Spirit" maneuvers that began February 10, saying that they "may lead to the outbreak of war." The reckless military provocation of the United States and South Korean authorities poses "a great challenge" to the DPRK's "tireless efforts for peace and peaceful reunification in Korea and has created new tension on the Korean peninsula," the press release said.

The alert order, described as a "self-defense step" to cope with with the U.S.-South Korean "war provocation moves", followed a series of charges by the DPRK Government and mass media condemning the ongoing two-month military exercises by the U.S. and South Korean troops. The DPRK Foreign Ministry said in a statement early Monday that the decision by Washington and Seoul to conduct the annual military exercise has ruined the current "atmosphere of peace and dialogue" and has created "a grave situation reminding us of the eve of a war."

DPRK READY TO REOPEN TALKS AFTER JOINT EXERCISES

OW110916 Beijing XINHUA in English 0855 GMT 11 Feb 86

[Text] Pyongyang, February 11 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) is willing to reopen the parliamentary, economic and Red Cross talks with South Korea after the on-going U.S.-Seoul joint military exercises, a senior official said here today.

Speaking at a press conference, Vice Chairman of the Committee for the Peaceful Reunification of the Fatherland Chon Kum-chol told reporters that the North will try to make these talks fruitful to pave the way for a summit meeting between the two parts of Korea. He pointed out that the joint war games "Team Spirit-86", which started yesterday and will go on for about two months, is of "an offensive nature," judging from the advanced weaponry and equipment involved. If this is called "routine," it is "a bad routine" harmful to North-South dialogue and rapprochement and should be got rid of, he added.

In response to the "Team Spriit-86" maneuver, the supreme commander of the Korean People's Army issued an order yesterday to all the units of the Korean People's Army, the Korean People's Security Forces, the worker-peasant red guards and the red young guards to maintain heightened vigilance and be ready for combat mobilization. Chon Kum-chol said this is a self-defensive step and does not run counter to the DPRK decision on February 1 to suspend all military exercises throughout the Northern half of Korea during North-South dialogue.

Chon Kum-chol, who leads the delegation of the North to the preparatory talks for a North-South parliamentary meeting, said that despite their differences, both parties have expressed their willingness to hold a summit meeting, which will be of paramount importance. He said that both sides should do their utmost to create a suitable climate and favorable conditions for that summit. As for the North side proposal for tripartite talks involving the two parts of Korea and the United States for a settlement of the Korean problem, he said the prospect is still obscure. However, he pledged that the North will continue its effort in this aspect no matter when and how the United States will accept the proposal.

NODONG SINMUN ATTACKS U.S. OVER 'TEAM SPIRIT-86'

OW101012 Beijing XINHUA in English 0820 GMT 10 Feb 86

[Text] Pyongyang, February 10 (XINHUA) -- The Korean paper NODONG SINMUN in a commentary today attacked the U.S.-South Korean joint military exercises that began today and accused the United States of creating a danger of nuclear war on the Korean peninsula.

The commentary warned that the U.S.-South Korean joint military exercises, code named "Team Sprit-86", involving 200,000 troops, would aggravate tension and increase the danger of war on the peninsula. Peace and peaceful reunification of the Korean peninsula will not be realized if military confrontation in the region is not checked, it cautioned.

The commentary said that tripartite talks among the United States, the North and the South of Korea are the only pragmatic way to solve the Korean problem. It asked the United States to respond to the call for tripartite talks and to withdraw all its troops and nuclear weapons from South Korea. Earlier, the Vice Premier and Foreign Minister of Democratic People's Republic of Korea Kim Yong-nam, sent a message to the Secretary-General of the United Nations Javier Perez de Cuellar, urging the world community to take urgent steps to curb the U.S.-South Korean joint military war games.

DPRK'S KWP CALLS FOR TECHNICAL REVOLUTION

OW101110 Beijing XINHUA in English 1033 GMT 10 Feb 86

[Text] Pyongyang, February 10 (XINHUA) -- The Workers Party of Korea [KWP] has called on party members and the people to carry out a technical revolution so as to further strengthen the country's industrial independence and promote the economic construction, Korea's major paper NODONG SINMUN reported today.

The Workers' Party made this call in a press communique during the 11th plenary session of its sixth Central Committee which was held between February 5 and 8 under the chairmanship of President Kim Il-song. The communique said that after reviewing the achievements Korea has made in the technical revolution during the past few years, the session pointed out that the current imperative task is to make a new breakthrough in the development of the country's science and technology which, must reach the world level as quickly as possible. According to the communique, the technical revolution will mainly focus on the exploitation and utilization of raw materials, fuel and power while developing the machinery, electronic and automatic industries. The session called for greater effort to develop steel production, the communique added.

Meanwhile the session also reshuffled the party's Political Bureau and Secretariat. Kong Chin-t'ae, Hong Song-yong and An Sung-hak were realieved of their posts as alternate members of the Political Bureau of the Central Committee of the Korean Workers' Party while Hong Si-hak and Hong Song-nam were elected new alternate members of the Political Bureau. Yon Hyong-muk, An Sung-hak and Kim Chung-nin were replaced on the party Secretariat by Yi Kun-mo, Kim Hwan and Kye Ung-t'ae.

CGDK CONDEMNS SRV STAND ON CAMBODIAN ISSUE

OW090911 Beijing XINHUA in English 0821 GMT 9 Feb 86

[Text] Bangkok, February 9 (XINHUA) -- The Coalition Government of Democratic Kampuchea (CGDK) has declared that Vietnam, being unable to impose its fait accompli on Kampuchea by force, tries to achieve it through diplomatic maneuvers. In a statement dated yesterday and published here today, the CGDK was commenting on the December 24 communique of the so-called Indochinese foreign ministers' meeting held in Vientiane, Laos.

The CGDK continues to hold that external interference must not be allowed in the process of national reconciliation among the Kampuchean people who alone can decide on their own future, the statement said. "Vietnam's condition that the regime it installed in Phnom Penh must be in control of such a process is therefore totally unacceptable," it added. The statement said that the root cause of the Kampuchean problem is the invasion and military occupation of Kampuchea by Vietnam. Real and lasting peace, it emphasized, will return only when Vietnam totally withdraws its troops from Kampuchea and the inalienable right to self-determination of the Kampuchean people without external interference is restored.

The statement reaffirmed the CGDK's readiness to enter directly into negotiation or by way of proximity talks with Vietnam to discuss the basic elements of a comprehensive and lasting settlement of the Kampuchean problem as embodied in the relevant U.N. resolutions and the declaration of the International Conference on Kampuchea (ICK), including: withdrawal of foreign forces from Kampuchea, U.N. control and supervisory commission, national reconciliation, U.N. supervised election/exercise of self-determination. The CGDK notes with satisfaction that there has been in the past year many successful operations of the CGDK forces deep inside Kampuchea, the statement said. "This is the result of many factors, especially the high morale and coordination of the CGDK forces which are enjoying increasing support from the local population including patriotic elements within the Heng Samrin regime itself, together with the declining morale of Vietnamese soldiers, especially the young ones," it added. The CGDK reiterates its determination "to continue its patriotic struggle until Hanoi agrees to negotiate with it for a comprehensive political settlement of the Kampuchean problem," the statement concluded.

DK RADIO REPORTS 9 CAMBODIAN VILLAGES LIBERATED

OW090804 Beijing XINHUA in English 0747 GMT 9 Feb 86

[Text] Beijing, February 9 (XINHUA) -- The Democratic Kampuchean National Army raided and liberated the town of Ta Moem and nine villages around it on January 31, killing nine Vietnamese soldiers and wounding two others, radio Democratic Kampuchea reported. Ta Moem Town belongs to the Battambang District of the Battambang Province.

On the same day, a number of Vietnamese troops were killed or wounded when the National Army fired three rockets into the Battambang City. On February 2, the report said, the National Army attacked the Vietnamese troops stationed in a rubber plantation of the chamkar Loeu District, Kampong Cham Province. The Army also ambushed a contingent of Vietnamese reinforcements, killing 12 Vietnamese, wounding 18 others and capturing one.

FURTHER REPORTAGE ON PHILIPPINE ELECTION

Marcos Calls for Calm

HK110310 Beijing International Service in Tagalog 1130 GMT 10 Feb 86

[Text] In Manila, the PHILIPPINE NEWS AGENCY reports that President Marcos has called on the nation to remain calm while ballots cast during the recent presidential election are counted. Marcos told reporters at Malacanang that it is not possible to declare the winner at this stage, when the official canvassing has still not been completed by the Commission on Elections, the constitutional body in charge of canvassing the ballots.

Meanwhile there are reports that the opposition will begin mass actions, starting with a proclamation rally at Bonifacio Plaza to declare Corazon Aquino the winner in the election. In the face of these threats, Marcos has called on all law enforcement agencies to be on the alert for possible trouble.

Meanwhile a group of international observers in Manila has said that instances of grave electoral malfeasance took place during the 7 February election which will have an impact on the final results. The international delegation, composed of 44 members from 19 countries, made this observation at a press conference last night at the Manila Hotel. In a written statement, the delegation said its members had witnessed various acts of vote-buying, intimidation, ballot box snatchings, and other irregular practices. The worst report involved the disenfranchisement of thousands of voters, especially in the Manila area, where voters found that their names did not appear on the registration lists.

The observers also said there was a deliberate slowdown in the release of the vote results. They said they would try to find means to help speed up the release of the results and hoped that the electoral problems would soon be resolved.

Police on 'Red Alert'

OW101714 Beijing XINHUA in English 1547 GMT 10 Feb 86

[Text] Manila, February 10 (XINHUA) -- Constabulary and police throughout the Philippines remain on red alert to cope with any possible emergency situation, Armed Forces Chief of Staff Gen. Fabian C. Ver was quoted by the PHILIPPINE NEWS AGENCY as saying today. He told newsmen that contingency troops are on call in view of reports of mounting tension and emotion as a result of conflicting tallies on election results. Ver said, however, that he was lowered the alert status on troops of the Armed Forces engaged in counter-insurgency operations. He directed all the commanders to undertake measures to neutralize deception, agitation and propaganda aimed at fanning mass action.

For his part, constabulary chief Lt. Gen. Fidel V. Ramos called on all military commander to help dispel rumors that certain candidates have already won. Defense Minister Juan Ponce Enrile also said in a press statement that sobriety and prudence are needed particularly for the moment, which he described as "perhaps the most crucial period in our political history since 1972."

Assembly Board To Tally Vote

OW101920 Beijing XINHUA in English 1831 GMT 10 Feb 86

[Text] Manila, February 10 (XINHUA) -- The National Assembly of the Philippines decided tonight to create an 11-member board of tellers to canvass the returns of the presidential elections. The assembly resumed its session this afternoon after a two-month recess.

The board is composed of four members of the ruling New Society Movement, four members of the opposition, one independent and one sectoral representative with speaker Nicanor Yniguez as chairman. The board of tellers will canvass the returns in the presence of the members of parliament assembled in session, and the canvass is expected to start tomorrow when the National Assembly meets again. Under the Constitution, the National Assembly is the only institution mandated to conduct the official canvass of the votes cast in the elections and to proclaim the winners.

While the assembly was in session today, some 10,000 people gathered outside the Assembly's building. Most of them were supporters of the opposition, the rest were followers and supporters of the ruling party. Both groups shouted at each other. However, no violence was reported. The National Assembly is to proclaim the winners in the elections within the 15 days when it is in session. Upon completion of the canvass, the candidates obtaining the highest numbers of votes for the presidency and vice presidency shall be declared elected.

Meanwhile, the speaker announced that the Commission on Elections (Comelec) and its independent citizen's arm "National Movement for Free Elections" (Namfrel) would continue their unofficial tabulation of the results of the February 7 polls upon the suggestion of President Marcos. Earlier, Justice Minister Mendosa, Political Affairs Minister Perez and some others urged that all the counts by Comelec and Namfrel be stopped. A group of lawyers today even filed a petition before the Supreme Court for stopping all unofficial counts. They said the conflicting tallies had created confusion and tension in the country.

PHILIPPINE PROPOSAL TO REVIEW U.S. BASE TREATY

HK080656 Beijing International Service in Tagalog 1130 GMT 7 Feb 86

[Text] The PHILIPPINE NEWS AGENCY reports that Batasan Speaker Nicanor Yniguez has proposed creating a joint U.S.-Philippine legislative group to review the matter of the U.S. military bases in the Philippines. The speaker made the proposal during a meeting with the visiting American delegation in Manila to monitor the presidential election. According to Yniguez, regardless of who wins the election, it will be necessary for an understanding to be reached on the military bases issue which should be acceptable to both sides. The U.S. military bases agreement with the Philippines expires in 1991.

NIGERIAN LEADER PRAISES RELATIONS WITH PRC

OW110838 Beijing XINHUA in English 0823 GMT 11 Feb 86

[Text] Lagos, February 10 (XINHUA) -- Nigeria is delighted to see her relations with China have developed "to such a high level today that both countries have immensely benefited from them," Minister of External Affairs Prof. Bolaji Akinyemi told Chinese Ambassador Wang Yusheng here this evening.

At a reception given by the Chinese ambassador to mark the 15th anniversary of the establishment of Sino-Nigeria diplomatic relations, Bolaji Akinyemi praised China for rendering unflinching support to the cause of Third World countries, especially African nations. He wished that the existing cordial relations between the two countries would be further developed. Wang Yusheng in his speech recalled the steady progress made in the friendly and cooperative relations between the two countries in political, economic and other fields. But "there are still great potentials and broad prospects for our economic and technical cooperation," he noted, adding the Chinese people are ready to explore and open up new avenues for such cooperation.

Among the 70 guests present on the occasion were Nigerian member of the Armed Forces Ruling Council and Air Commander Nurudeen Imam, government ministers and Overseas Chinese representatives. Earlier, the Chinese Embassy organised a film show-dinner for Nigerian journalists as part of the celebration.

PRC GIVES GRAIN TO DROUGHT-RIDDEN SOMALIA

OW101249 Beijing XINHUA in English 0131 GMT 9 Feb 86

[Text] Mogadishu, February 8 (XINHUA) -- China today granted 3,000 tons of maize to Somalia to help solve its food problem caused by the drought. In the hand-over ceremony, Chinese Ambassador Shi Chengxun and Somali Minister of Finance Mohamed Sheikh Osman signed the certificates on behalf of their respective governments. This is China's fourth batch of grain sent to Somalia. Since April 1984, the Chinese Government has granted a total of 8,000 tons of grain to Somalia at its urgent request to tide over the severe drought in the country.

ENVOY TO LEBANON DENOUNCES ISRAELI EXPANSION

OW110150 Beijing XINHUA in English 0135 GMT 11 Feb 86

[Text] Beirut, February 10 (XINHUA) -- Lebanese President Amin al-Jumayyil today informed Chinese Ambassador to Lebanon Wu Shunyu of the recent Israeli activities of aggression and expansion in southern Lebanon. After their meeting, the Chinese ambassador in a press statement declared that the Chinese Government supports the just stand of Lebanon, denounces Israeli policy of aggression and expansion and demands an unconditional withdrawal of Israeli troops from south lebanon.

Israel recently encircled 50 to 70 square kilometers of Lebanese land in the southern border area with barbed wire under the pretext of protecting its security in the north. President al-Jumayyil met in the past few days ambassadors of the permanent member countries of the U.N. Security Council, informing them of the situation in southern Lebanon and protesting against Israel's aggression there to the Security Council.

TV SMUGGLING CASE INVESTIGATED; ARRESTS MADE

OW062347 Beijing XINHUA Domestic Service in Chinese 1256 GMT 6 Feb 86

[Text] Beijing, 6 Feb (XINHUA) -- The Discipline Inspection Commission of the CPC Central Committee recently worked in coordination with the Supreme People's Procuratorate, the General Administration of Customs, and other departments concerned in investigating a smuggling case involving the Guangyu Industry and Trade Corporation under the Ministry of Astronautics. The investigation shows that, in order to reap a windfall profit, and although it was not authorized to handle foreign trade, was not licensed by the responsible department of the state, nor possessed the needed foreign exchange, the corporation signed a contract with a French company to purchase 180,000 unassembled color television sets worth $41.47 million. It used an expired license purchased at a high price from a Hainan company through the Ruida Company under the Radar Equipment Bureau of the Ministry of Electronics Industry and an enormous amount of loans in foreign exchange purchased at a high price fromthe Shijiazhuang branch of the Bank of China.

In addition to the Guangyu Corporation under the Ministry of Astronautics, other parties involved in this major smuggling case included the Ruida Corporation and the Haima Plant under the Radar Equipment Bureau of the Ministry of Electronics Industry, the Shijiazhuang branch of the Bank of China, the Foreign Economic Commission of the Hainan Administrative Region, and the Hainan International Trust and Investment Corporation. This is a major smuggling case plotted by corporations under state organs. These corporations' reckless lawlessness in disregard of state interests has seriously interfered with the progress of reforms and the four modernizations, as well as the policy of opening up to the outside world.

The people implicated in the case included two ministry-level cadres, five bureau-level cadres, and four other cadres at or below departmental level. After being investigated by procuratorial organs, Zhu Hancheng, deputy general manager of the Guangyu Corporation; Li Hanwen, general manager of the Hainan International Trust and Investment Corporation; Hou Ruilin, director of the Hainan Haima plant; and Chen Zhi, deputy general manager of the Ruida Corporation under the Ministry of Electronics Industry, have been arrested for their criminal offenses. Because his negligence of duty has caused the state enormous losses, Ma Chunsheng, vice president of the Shijiazhuang branch of the Bank of China, is being prosecuted by the procuratorial organs. Zhang Jun and Cheng Lianchang, respectively former minister and present vice minister of astronautics, have been given serious disciplinary warnings within the party for their serious bureaucratic mistakes and their irresponsible leadership. Wang Daoli, former member of the leading party group and director of the General Office of the Ministry of Astronautics and concurrently general manager of the Guangyu Corporation, has been placed on probation within the party for 2 years. Zhou Wensheng, director and secretary of the leading party group of the Radar Equipment Bureau of the Ministry of Electronics Industry, has been relieved from all posts inside and outside the party; he is held directly responsible for the speculative buying and selling of the expired television import license. Disciplinary action within the party or administrative measures have also been taken by departments concerned against other relevant personnel.

According to the investigation, in November 1984 the Guangyu Corporation negotiated with a French company to import 180,000 20-inch multifunctional color television sets. It then began to illicitly obtain the needed license and foreign exchange. The so-called license acquired was one issued by the Hainan Foreign Economic Affairs Commission to a so-called Haima Company, operated by the Hainan International Trust and Investment Corporation in July 1984 for the importation of 180,000 color television sets from Japan. The license, however, had already expired.

Realizing that the Guangyu Corporation did not have a valid license to import color television sets, Li Hanwen, general manager of the Hainan International Trust and Investment Corporation, and Hou Ruilin, director of the Hainan Haima Factory under the Radar Equipment Bureau of the Ministry of Electronics Industry, proceeded in their plot by sending Hou to Beijing, authorized by the Haima Company mananger with duplicates of the license. Arranged by Chen Zhi, deputy manager of the Ruida Corporation, and others, Hou had talks with Zhu Hancheng, deputy general manager of the Guangyu Corporation, and then on 29 November signed an agreement on the joint import of 180,000 color television sets. According to the agreement, the expired license was sold to the Guangyu Corporation at 18 million yuan RMB, and the Ruida Corporation and the Haima Company would each receive 9 million yuan RMB. Briefed by Chen Zhi and others in the course of the buying and selling the invalid license, Zhou Wensheng, director of the Radar Equipment Bureau of the Ministry of Electronics Industry, expressed his consent and support for the deal.

While purchasing the phony license for importing the color television sets, the Guangyu Corporation also tried to raise the needed foreign exchange. Realizing that it could get the loan in foreign exchange from the Shijianzhuang branch of the Bank of China if the Ministry of Astronautics agreed to underwrite the loan, the corporation proceeded to apply for the loan in foreign exchange with the Financial Department of the Ministry of Astronautics serving as the underwriter. The Guangyu Corporation also promised that, in addition to repaying the principal and interest on the loan, the Shijiazhuang branch of the Bank of China would receive a so-called "percentage" of 15 million yuan RMB. After Zhao Zilong, president of the Shijianzhung branch of the Bank of China, was informed of the terms term by Ma Chunsheng, vice president of the branch bank, they decided to extend $46.80 million to the Guangyu Corporation, with Ma Chunsheng acting as signatory. With the approval of Ma Chunsheng, the Shijianzhuang branch of the Bank of China on 29 December gave the French company a certified letter of credit for a lump sum of $41.47 million.

After purchasing the phony license and obtaining the foreign exchange loan, Zhu Hancheng, deputy general manager of the Guangyu Corporation briefed Wang Daoli, then member of the leading party group and director of the General Office of the Ministry of Astronautics. During a brief meeting on 17 December 1984, Wang informed three other members of the ministry's leading party group. Then, without fully understading the matter, Cheng Lianchang, member of the leading party group and vice minister of astronautics, telephoned Zhang Jun, former minister and secretary of the leading party group of the ministry, to brief him the situation. Again without fully understanding the matter Comrade Zhang Jun expressed his consent. Then on 18 December 1984 the Guangyu Corporation, with Zhu Hancheng as the signatory, signed a contract with a French company to import 180,000 unassembled multifunction color television sets.

Beginning 22 March 1985, the French-made color television sets began to arrive in Taikou of Hainan Island. In early April when Guangyu Corporation used the phony license to declare the importation of the color television sets at customs, it was withheld by the customs house. To deceive customs and cover up selling the phony license, and with the approval of Chu Shi, vice chairman of the Foreign Commission of the Hainan Administrative Region, Li Hanwen, president of the Hainan International Trust and Investment Corporation, altered the license and faked a so-called "instrument of ratification" for the importation of 180,000 French-made color television sets. With this "instrument of ratification," the Guangyu Corporation deceived customs into approving the clearance of 6,020 television sets. The case was exposed when customs rechecked the documents.

In March 1985 the Shijiazhuang branch of the Bank of China, under pressure from the situation, suspended further loans and pressed the Guangyu Corporation to repay the previous loan. With the consent of Zhang Jun, former minister of astronautics, the Ministry of Astronautics paid the Shijiazhuang branch of the Bank of China $9.2 million, using foreign exchange it should have turned over to the state.

After the case was exposed, the Ministry of Astronautics submitted two reports to the State Economic Commission in May and August 1985. In those reports the ministry withheld the truth, supplied false information, and requested the commission's approval of the import of the color television sets and issuance of a necessary license. Without fully understanding the truth of the matter, Comrade Cheng Lianchang initialled the two reports.

According to relevant customs regulations, all French-made color television sets the Guangyu Corporation tried to smuggle into the country have been confiscated. The case is still being handled by departments concerned.

Report on Commentator's Article

HK090521 Beijing XINHUA Hong Kong Service in Chinese 0333 GMT 7 Feb 86

[Text] In an article entitled "What Does the 'Guangyu Company Smuggling Case' Show?" the RENMIN RIBAO commentator points out today: "This is an economic case unprecedented in the 36-year history of the People's Republic in which so many senior and middle-level officials were involved and punished. This shows that our party is determined to straighten out party style, rectify unhealthy tendencies, and eliminate all corruption. The party is serious and conscientious in doing so and is taking concrete actions."

It has been ascertained that the Guangyu Company of the Ministry of Astronautics illegally purchased foreign exchange at higher exchange rates and engaged in illegal buying and selling to the neglect of state interests. It has imported 180,000 sets of color TV components. Zhu Hancheng, deputy general manager of the company and other people involved in this major smuggling case have been arrested, and former Astronautics Minister Zhang Jun and Vice Minister Cheng Lianchang have received disciplinary warnings within the party.

The article points out that the main people involved in this case are cadres of state organs; most of them are Communist Party members in leading posts. What the central authorities said still rings in our ears and the ink on the central documents is not yet dry, but the persons concerned in the Ministry of Astronautics and other units, persisting in their old ways, have already violated the relevant stipulations and are involved in this serious case of violating discipline and the law, obstructing economic reform, opening up, and construction of the four modernizations of our country. This is a profound lesson .

The article says: At the beginning of this year, CPC Central Secretary Hu Yaobang pointed out that "it is necessary to be resolute and persevere in rectifying unhealthy tendencies." The CPC and the Chinese Government are actually acting in this way. All people are equal before party discipline, government discipline, and national laws. All those who dare to risk universal condemnation and act willfully and wildly in defiance of party discipline and national laws, no matter who he might be, can never escape being punished.

LI PENG VISITS BEIJING TELEPHONE WORKERS

OW101945 Beijing XINHUA Domestic Service in Chinese 0834 GMT 10 Feb 86

[Text] Beijing, 10 Feb (XINHUA) -- Li Peng, member of the Political Bureau and Secretariat of the CPC Central Committee and vice premier of the State Council, went this morning to visit the staff and workers of the Dongdan telephone office in Beijing, who worked on the holiday to maintain the telecommunications system. He also extended cordial regards to the broad masses of postal and telecommunications staff and workers throughout the country.

In the Dongdan telephone office, Comrade Li Peng was briefed by a responsible comrade from the Beijing municipal telecommunications administration on the operations of a domestically made 10,000-line crossbar exchange and a program-controlled exchange imported from France, both of which were put into service recently by the Dongdan telephone office. He inquired about details of the installation and operations of these two sets of equipment. He said: In big cities we should have program-controlled telephone exchanges and make use of fiber optics communications so as to improve the strained and backward state of telecommunications through advanced technology. At the same time, we should see to it that the 6-meter-antenna earth stations for satellite communications are developed promptly and that every effort is made to reduce operational costs at these stations. They should be used not only for television transmissions but for numerous other purposes, including telephone and telegraph services, in solving telecommunications problems in border and remote areas.

After the briefings, Comrade Li Peng saw the program-controlled exchange, crossbar exchange, terminal of the fiber optics cable, and other telecommunications equipment. He shook hands with every staff member and worker working on the holiday. He also asked Yang Taifang, minister of posts and telecommunications, to relay his festival greetings to all postal and telecommunications staff and workers across the country.

On the visit Vice Premier Li Peng had cordial conversations with, and extended regards to, French technical experts working at the Dongdan telephone office.

YANG SHANGKUN, HU PING CELEBRATE IN FUZHOU

OW101436 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 9 Feb 86

[Text] Yang Shangkun, member of the Political Bureau of the CPC Central Committee and permanent vice chairman of the Central Military Commission, and leading comrades of the party, government, and Army of Fujian Province attended Spring Festival celebrations at the Xihu Guesthouse in Fuzhou on the morning of the Lunar New Year's Day. Feng Jinwen, deputy procurator general of the Supreme People's Procuratorate, also joined in the celebrations.

Present at the celebrations were Xiang Nan, Hu Ping, Hu Hong, Cheng Xu, Yuan Gai, and Gao Hu and other leading comrades of the provincial party committee, provincial advisory commission, provincial discipline inspection commission, provincial people's congress, provincial government and provincial CPPCC Committee, leading comrades of the PLA units stationed in Fuzhou; retired and veteran Army and local cadres; responsible comrades of the various democratic parties; and dependents of the old comrades who have passed away.

Governor Hu Ping first sincerely extended festival greetings to everyone present on behalf of the provincial party committee, provincial advisory commission, provincial discipline inspection commission, provincial people's congress, provincial government, and provincial CPPCC Committee.

He said: We made tremendous achievements in the past year. This cannot be separated from the joint efforts made by the workers, peasants, intellectuals, PLA commanders and fighters, and old comrades. In the new year, economic work will remain the focus of our attention. While paying attention to economic work and structural reform, we need to increase our efforts in building spiritual civilization and the legal system. We should display the spirit and vigor of the tiger to seriously rectify party style in effecting a fundamental turn for the better in both party style and social conduct.

Comrade Hu Ping said: As we celebrate the Spring Festival here, we think even more of our Taiwan compatriots, our compatriots in Hong Kong and Macao, and the Overseas Chinese. We welcome them to come, visit their relatives and friends here in Fujian, and join in discussions on ways to achieve the great cause of the reunification of the motherland.

Comrade Yang Shangkun also spoke at the celebrations. He extended festival greetings to the party, government, Army, and people in our province. He also expressed gratitude on behalf of the land, naval, and air forces stationed in Fujian to the provincial party committee and provincial government for their vigorous support of PLA units. He urged everyone to strive for still greater achievements in the New Year.

XI ZHONGXUN JOINS CHILDREN IN FESTIVE GATHERING

OW102118 Beijing XINHUA Domestic Service in Chinese 0845 GMT 10 Feb 86

[By reporter Zhang Sutang]

[Text] Beijing, 10 Feb (XINHUA) -- The preparatory committee for the China Children's Activity Center sponsored a children's spring-greeting gathering for the Year of the Tiger in Guanyuan Park today. Xi Zhongxun and other leading comrades at the central level as well as representatives of outstanding child education workers, model heroes, and veteran Red Army fighters in Beijing joined more than 3,000 Beijing children present on this occasion in celebrating the Spring Festival.

Decorated with lanterns and streamers, Guanyuan Park was permeated with a joyful atmosphere on this festive occasion. At 0900, Xi Zhongxun, member of the Political Bureau of the CPC Central Committee; Liu Lantao, member of the Standing Committee of the Central Advisory Commission; Zhou Gucheng, vice chairman of the NPC Standing Committee; Kang Keqing, vice chairman of the CPPCC National Committee and chairman of the All-China Women's Federation; Yang Chengsu, vice chairman of the CPPCC National Committee, Rong Gaotang, chairman of the Preparatory Committee for the China Children's Activity Center; as well as leading comrades from the State Education Commission. the China Association for Science and Technology, the All-China Women's Federation, and the Beijing Municipal People's Government, and noted child educator Sun Jingxiu came to the theater of Guanyuan Park. Children of the Beijing municipal No 6 kindergarten vied to hold the hands of these grandpas and grandmas and wish them a happy new year and good health. Grasping the children's hands, Xi Zhongxun and other leading comrades inquired cordially about their study habits and their health.

At the theater Comrade Xi Zhongxun made a warm speech, wishing that every child would grow up to be as vigorous and robust as a small tiger and would study well and progress each day. He also urged teachers, instructors, and comrades enthusiastic about education work to instill thousands upon thousands of new people with lofty ideals, moral integrity, education, and self-discipline. Today all recreational facilities in Guanyuan Park were opened to children, free of charge. The various marvellous, interesting, and educational games increased the children's knowledge, broadened their vision, and exerted a favorable influence on their temperament. These gala activities will continue on 11 and 12 February.

CONTINUED REFORM CONSOLIDATION PREDICTED

HK061039 Beijing LIAOWANG in Chinese No 4, 27 Jan 86 p 4

[Commentator's article: "Reforms Continue to Deepen"]

[Text] This year is the first year of the Seventh 5-Year Plan. During the Seventh 5-Year Plan, reform of the economic structure and reform in other fields will continue to be the primary task. Reforms over the past years have promoted the continuing and steady development of our economy, have coordinated the ratios between agriculture, light industry, and heavy industry, and have improved the people's livelihood. The achievements of the reforms are universally acknowledged. Particularly in 1985, a brave step was taken in economic structural reform. Price reform, wage reform, and reform of the farm produce purchase and marketing system have broken many long-standing conventions and have produced significant and far-reaching influences.

The reform process destroys the old and establishes the new, but it will also introduce some problems. For example, the old things, although destroyed, will continue to influence people's thought and practice, and this influence has yet to be eliminated; new things are not perfect enough and should be further improved. Therefore, in order to progress in the reforms, we need to "tidy up the battleground" in 1986. That is, we should consolidate, digest, improve, and add to reform achievements made last year. Reform should be carried on continuously and should also be divided into stages.

Revolution and construction should be divided into a number of states, as should reform. If we do not carry out reform in an orderly and planned way and on the basis of policies and regulations but just proceed headlong into reckless action, our reform will eventually be frustrated.

Through consolidating, digesting, improving, and adding to reform results, we will make better preparations for furthering reform to a deeper degree. This is not intended to slow reform, much less to backpedal. Therefore, we must not relax our efforts and must not lose heart; instead, we should work harder and make in-depth and careful investigations in order to carry forward reform advantages and overcome their drawbacks, developing reform in depth and in scope.

Reform of the national economic structure is an important task, relevant to the healthy development of our national economy and the realization of the four modernizations. At the same time, this reform is also an arduous and complicated social project. Our reforms began in the countryside. Rural reforms have achieved remarkable results over the past 6 or 7 years, but they are still far from reaching their end. On the other hand, more important urban reforms began just last year and are now still in initial states. Reform will change or readjust and smooth out all vertical and horizontal economic relations. Now, although we have basically fulfilled the task of causing a turn for the better in the economic situation and we are hopeful of forming a benign economic cycle, we will not accomplish the series of reforms in a short time by making a single move. We not only need great courage and resourcefulness; we also need firm determination and perseverance and must make unremitting efforts.

At the same time, reform will arouse the initiative of the central authorities, localities, enterprises, and individuals. It involves the interests of all related parties and all people. We must be very careful when handling reform, continuously make careful investigations, and continuously improve reform measures. That is, we should work as hard as the foolish old man, and as carefully as an embroiderer.

In addition, some reform measures may produce quick results, but most systematic reform measures need to be accomplished and perfected over several years. We cannot expect that once reform begins, great benefits will immediately accrue. We cannot behave like those shortsighted and mediocre people who tend to rush headlong into mass action once they find something is profitable and tend to disperse in confusion when they discover they cannot gain immediate benefit or may even sacrifice their interests temporarily. We should know that one must make painstaking efforts to accomplish everything, whether revolution or construction, and must pay a certain cost in order to achieve successes. We, reformers, should take a broad and long-term view and should work for the benefit of the coming generations. Reform requires a broad view and a down-to-earth work attitude.

Reform is the only way to realize the four modernizations in our country and the only bridge leading to our nation's prosperity. Reform is a cause of the 1 billion people. We should mobilize all people to take an active part in reform and to promote reform. This is a decisive factor. Here, we will repeat the old saying: As long as we are firm and advance steadily, we will certainly emerge victorious.

RECTIFICATION COMMISSION CITES EPISTOLARY APPEAL

OW101359 Beijing XINHUA Domestic Service in Chinese 0003 GMT 10 Feb 86

[Text] Beijing, 10 Feb (XINHUA) -- On 31 October 1985 members of the fourth grade squadron of the Young Pioneers of Yang Village School of Luoshe Town in Wuxi City, Jiangsu Province, sent a letter to a leading comrade of the Central Discipline Inspection Commission, sharply criticizing the unhealthy practice of ostentation, extravagance, and waste found in today's society. Leading comrades of the Central Commission for Guiding Party Rectification and the Central Discipline Inspection Commission felt the letter was very well written. The General Office of the Central Commission for Guiding Party Rectification added a note to the letter. The full text of both the note and the letter follow.

Note by the Central Commission for Guiding Party Rectification: This is a letter sent to a leading comrade of the Central Discipline Inspection Commission by a group of innocent and lovely Young Pioneers in Wuxi City, Jiangsu Province, in the spirit of their responsibility as young masters of the country. In the letter they sharply criticized the unhealthy practice of ostentation, extravagance, and waste in today's society. They also wrote about a puzzling question, namely, why was it that some of the things they saw around them were not the same as what they had heard from their teachers? Is this not a question deserving attention and consideration on the part of our leading comrades at all levels? Our forefathers said: "You win the nation by frugality, you lose it by extravagance." These words deserve our attention. While we promote the drive for modernization, develop social productive forces, and try to shake free from the state of poverty left over from history, it is still necessary to advocate the spirit of hard struggle and persist in the principle of building up the country through thrift and hard work. No party member or party member-cadre should forget this point at any time in their work and everyday life. (end of note)

Dear Uncle: How are you? Realizing that you are advanced in age and troubled by illness and also very busy, we really hate to disturb you. However, we must write to you since we are puzzled by unhealthy things we see around us and remain perplexed despite much thought.

Our teachers educate us in the need to foster a work style of "diligence and thrift, hard work, and plain living" right from our childhood. We also frequently read and hear publicized in the newspapers and over the radio and television that we should "change prevailing habits and customs" and guard against "extravagance and waste," and so on....

But what about facts? The facts are the opposite of these teachings; the situation is getting worse and worse.

Weddings are held with stress on ostentation and extravagance. Today's weddings are held in the manner of yesterday's and the expense involved is even greater than in the past. If one has no (or not enough) money, one either borrows it or tries to get it illegally. The expenses paid by the bridegroom's family for furniture and by the bride's family for dowry often range from several to ten thousand yuan. A banquet will comprise several dozen tables. A wedding will not be over without 10,000 yuan having been spent on it.

We have dispensed with coffins and now cremate the dead. One would expect cremation to be less expensive. But pomp and circumstance are also deemed necessary here. Expenses for the band, the drinking, and the dining can exceed 1,000 yuan. This has made someone here quip: "Now you cannot even afford to die!"

A great deal of money is spent on building a house. More than 1,000 yuan will be spent on the day the main beam is installed. The money is for drinking expenses and the ceremony of throwing ricecakes over the beam.

Some people in power frequently eat and drink. No household has the courage not to invite them to a wedding or funeral.

Dear Uncle, we are too young to understand, but why do people now say one thing and do another? Why is it that this unhealthy wind remains unchecked? Is it really that our economy is so prosperous, that our wealth is inexhaustible? No, it is not so. Those families spending a great deal on weddings and funerals have actually done so against their own true will. Social conduct being what it is, they cannot but spend the money. They actually are hoping deep down in their hearts that this wind will be stemmed.

Oh, dear Uncle, we are confused! We sincerely wish that you will help clear the doubt in our minds.

[Signed] Respectfully wishing you good health, all young pioneers of the fourth grade squadron of Yang Village School of Luoshe Town in Wuxi City, Jiangsu Province, 31 October, 1985.

PRIVATE FOREIGN CURRENCY DEPOSITS INCREASE

HK090447 Beijing ZHONGGUO XINWEN SHE in Chinese 0520 GMT 3 Feb 86

[Text] Beijing, 3 Feb (ZHONGGUO XINWEN SHE) -- According to sources in the Bank of China in the period since China has allowed domestic Chinese to open foreign currency accounts at the bank and to freely deposit or withdraw their foreign currencies, private foreign currency deposits have increased sharply. Last year, total deposits increased by 89 percent over the previous year.

China began to accept foreign currency deposits from domestic Chinese about 1 and 1/2 years ago. In order to attract more foreign currency deposits, the Bank of China raised interest rates last year for all kinds of foreign currency savings and deposit accounts held by individuals. The bank also took a new trial measure for individual foreign currency accounts in Guangdong, Fujian, Shanghai, and Beijing last March. That is, people can freely withdraw foreign currency from their accounts. Previously, people deposited their foreign currencies in the bank and could only withdraw renminbi coupled with preferential purchase coupons. In June, this measure was extended to another 10 cities, including Tianjin and Nanjing. In the areas where this trial policy for free deposit and withdrawal has been implemented, foreign currency deposits have increased sharply. In many places, foreign currency deposits have doubled or more than doubled.

With the approval of the People's Bank of China (China's central bank), the measure allowing domestic Chinese to freely deposit and withdraw their foreign currency was officially put into nationwide practice on 20 November 1985. This policy has been widely praised by the public and has achieved marked results. In Suzhou City, Jiangsu Province, 195 new foreign currency accounts were opened in December alone, totaling some $130,000.

According to the sources, Guangdong Province received the largest sum of foreign currency deposits. At present, all branches of the Bank of China in Guangdong have appointed special personnel to handle private foreign currency accounts. It is expected that private foreign currency accounts opened by domestic Chinese will continue to substantially increase in the future.

TAIWAN DEFECTORS BEGIN PLA FLIGHT DUTIES

HK081141 Beijing CHINA DAILY in English 8 Feb 86 p 3

[By reporter Jing Jun]

[Text] Two former Taiwan Kuomintang pilots who crossed over to the mainland in the early 1980s have been dubbed "pilots of special grade" by the Air Force of the People's Liberation Army (PLA). Li Dawei and Huang Zhicheng who flew to the mainland in 1983 and 1981 respectively will soon take off again in flight duty for the PLA Air Force, reports received by CHINA DAILY said.

Li, 35, has just completed a 12-month training course at the People's Liberation Army Academy of Politics. He scored high marks on subjects ranging from philosophy, political economics and psychology to literature and computer science, the reports said. Li told CHINA DAILY in an interview that he had benefitted a great deal from the academy, which trains Chinese senior officers. "Flying is my career and flying in the sky of the motherland has been my dream," Li said, adding that he has been appointed deputy director of a military aviation school, training young pilots for the Chinese Air Force. He flew to the mainland because of strong dissatisfaction with the Taiwan authorities, Li said. The former Taiwan Kuomintang pilot made public appeals on several occasions to the Taiwan authorities to permit his wife and daughter to leave the island. But he said he recently received the news that his wife, still in Taiwan, had been pressed to divorce him.

Huang Zhicheng, 34, and also a deputy director of a pilot training school, performs special duties of drawing up exercise plans for young pilots. When in Taiwan, Huang operated eight kinds of planes and has chalked up 2,100 hours of flying time. Before he came to the mainland, he was a major. He is now married to Ma Hong, who works with the Civil Aviation Administration of China (CAAC).

Both Li and Huang are members of the Chinese People's Political Consultative Conference and active in the country's efforts to realize the goal of reunification with Taiwan.

MILITARY LEADERS CALL ON FUJIAN CPC, GOVERNMENT

OW050152 Fuzhou FUJIAN RIBAO in Chinese 25 Jan 86 p 1

[Text] To express the deep sentiments between the Army and the government, as well as between the Army and the people, the leading comrades of the Fujian Provincial Military District called on the provincial party committee and the provincial government on the morning of 24 January.

Zhang Zongde, commander of the provincial military district, extended his festive greetings to leaders of the provincial party committee and the provincial government, on behalf of all the commanders and fighters. He also expressed thanks to leaders of the provincial party committee and the provincial government, as well as to the people of Fujian Province, on their vigorous support for the work of reducing strength and reorganizing the Army, and on proper arrangements for retired veteran cadres and demobilized servicemen. He said: We have not done enough to support the localities; we come here today to solicit the opinions of the provincial party committee and the provincial government on military work, not to hear their views on our work in supporting the localities in the new year.

Comrade Xiang Nan told leaders of the provincial military district: As the Spring Festival approaches, I request that you relay my festive greetings to the six leading bodies at the provincial level, and to all the commanders and fighters stationed in Fujian. I wish everyone a joyous festival. He added: The military units in Fujian have rendered vigorous support to construction in the localities. Great success has been achieved in defending and building the four modernizations and in promoting construction jointly by the Army and the people. In the new year, we must continue to carry out construction undertaken jointly by the Army and the poeple. We must improve the Fuzhou-Xiamen highway, step up the pace of construction of the Fuzhou-Mawei highway, and be resolved to revamp the Zhangzhou-Zhao'an highway, a road frequently traveled by returned Overseas Chinese. We must further implement General Secretary Hu Yaobang's instructions given during his recent inspection in Fujian with regard to participation by the military in some key local construction projects. The purpose of undertaking joint construction projects by the Army and the people is to educate the cadres, the servicemen, and the people so as to better cement the ties between the Army and the government, and between the Army and the people. We must also educate commanders and fighters to foster the ideology of making preparations at all times, never relaxing their efforts, and constantly heightening their vigilance for defense. We must always bear in mind that whether we are in military uniform or not, we must strive for the realization of the grand objective of quadrupling the gross output value of the national economy by the end of the century.

Attending the discussion meeting were: Xiang Nan, Hu Ping, Hu Hong, and Cheng Xu, as well as leading comrades of the provincial Discipline Inspection Commission and the provincial CPPCC Committee; Zhang Zongde, Cong Lizhi, Chen Shuqing, and leading comrades of the headquarters, and political and logistics departments of the provincial military district.

YANG SHANGKUN VISITS NANJING PLA CONSTRUCTION UNIT

OW080348 Beijing XINHUA Domestic Service in Chinese 1455 GMT 7 Feb 86

[By reporter Jie Yanzhen]

[Text] Fuzhou, 7 Feb (XINHUA) -- Yang Shangkun, member of the CPC Central Committee's Political Bureau and vice chairman of the Central Military Commission, visited the commanders and fighters of a certain PLA unit under the Nanjing Military Region on the afternoon of 7 February. The commanders and fighters were working onthe Fuzhou-Mawei highway in Fujian.

The Fuzhou-Mawei Highway is one of Fujian's key construction projects. Wearing a hard hat during his inspection of the construction site, Yang Shangkun called on pneumatic drill operators and dynamiters working in a 150-meter tunnel. Praising the cadres and fighters for their revolutionary spirit of working under harsh conditions, Yang Shangkun said: We need this kind of revolutionary spirit for our four modernizations. With such a revolutionary spirit, we will not be daunted by any hardships.

Yang Shangkun was particularly concerned about the quality of the project and the livelihood of the cadres and fighters. At the construction headquarters, he talked with responsible comrades from the unit about improving the project quality. He noted: In helping with local key construction projects, the military is pursuing a great cause of bringing benefits to future generations. Accordingly, not even the slightest negligence is permitted in the quality control of such projects. Yang Shangkun also visited the living quarters and kitchens of the cadres and fighters, making detailed inquiries about their living conditions.

Xiang Nan, secretary of the Fujian Provincial CPC Committee, was with Comrade Yang Shangkun during the visit with the commanders and fighters.

HAN PEIXIN AT JIANGSU SPRING FESTIVAL GATHERING

OW061030 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 5 Feb 86

[Text] The Jiangsu Provincial People's Government, the Nanjing Military Region, and the Nanjing City People's Government held a gala get-together at the Great Hall of the People in Nanjing this afternoon to greet the 1986 Spring Festival.

Attending the gathering were members of the Central Advisory Commission Jiang Weiqing, Hui Yuyu, Nie Fengzhi, Du Ping, and Xiao Wangdong; members of the Central Discipline Inspection Commisssion Zhan Danan and Kang Di; responsible persons of Jiangsu Province and Nanjing City Han Peixin, Shen Daren, Gu Xiulian, Sun Han, Sun Jiazheng, Chen Huanyou, Hu Fuming, Liu Lin, Chu Jiang, Zhang Yaohua, Jia Shizhen, and Xu Zhi; and responsible persons of the Nanjing Military Region, the Nanjing Military Region Air Force, and the Jiangsu Provincial Military District Xiang Shouzhi, Fu Kuiqing, Guo Tao, Wang Chengbin, (Liu Leixian), (Yu Yongbo), (Cheng Hui), Jiang Yutian, Zheng Zhubo, and Zhen Shen. Also attending the gathering were responsible persons of the leading organ of the Nanjing Military Region, military academies in Nanjing, provincial and Nanjing City party and government departments, democratic parties, and mass organizations; as well as model workers, combat heroes, families of revolutionary martyrs and servicemen, veteran Red Army soldiers, veteran cadres, workers, peasants, PLA commanders and fighters, intellectuals, and patriotic personages, totaling some 3,000.

Before the start of the gathering, the party, government, and Army leaders chatted in the lounge to exchange festive greetings. Provincial and Nanjing PLA literary and art workers performed music, dance, and other theatrical entertainment at the gathering. They received thunderous applause from the audience.

JIANGXI MEETING GREETS TAIWAN COMPATRIOTS

OW040606 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 3 Feb 86

[Excerpts] The United Front Work Department and the Taiwan operation group of the Jiangxi Provincial CPC Committee, the Overseas Chinese Affairs Office of the Jiangxi Provincial Government, the Jiangxi Provincial Overseas Chinese Federation, and the Jiangxi Taiwan Compatriots Federation cosponsored a meeting at the Jiangxi Guesthouse this morning for Taiwan compatriots, families of personnel in Taiwan, returned Overseas Chinese, and families of Chinese nationals living overseas to greet the Spring Festival.

Party and government leaders present at the meeting were Liu Fangren, Ni Xiance, Xu Qin, Wang Shufeng, Huang Xiandu, Yang Yongfeng, and Fu Yunzhong; and leading comrades of departments concerned (Du Bensheng), (Yan Jinghua), (Shi Minqing), (Chen Jingbang), (Li Yisheng) and some 280 Taiwan compatriots, family members of personnel in Taiwan, Overseas Chinese, and family members of Chinese nationals living overseas.

On behalf of the Jiangxi Provincial CPC Committee and the provincial people's government, Liu Fangren, deputy secretary of the Jiangxi provincial party committee, conveyed their cordial regards and festive greetings to those attending the meeting and, through them, to countrymen in Taiwan, Hong Kong, Macao, and other parts of the world, as well as Overseas Chinese returned to Jiangxi and family members of countrymen living in Taiwan and other parts of the world. Liu Fangren urged Taiwan compatriots, family members of personnel in Taiwan, returned Overseas Chinese, and family members of Chinese nationals living abroad to continue to display patriotism and socialist enthusiasm; make good use of their favorable situation and wisdom; do a still better job in propagating the party's principles and policies as well as policies for Overseas Chinese affairs, achievements in national construction, and the gratifying changes in hometowns and among family members; and play an active part in introducing capital, technology, and proficient personnel into Jiangxi for its construction.

JIANGXI'S WAN SHAOFEN ATTENDS VETERANS PARTY

OW040456 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 3 Feb 86

[Excerpts] The Organization Department and Veteran Cadres Bureau of the Jiangxi Provincial CPC Committee cosponsored a tea party at the Jiangxi Guesthouse this afternoon for retired veteran cadres of provincial organizations to greet the Spring Festival. Provincial party and government leaders present at the party were Wan Shaofen, Liu Fangren, Ni Xiance, Xu Qin, Zhao Zengyi, Di Sheng, Wang Shufeng, (Wang Demin), Peng Shengxi, and Liu Jianhua, as well veterans Fu Yutian, Ma Jikong, and others, totaling more than 300 people.

Amid warm applause, Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee, made a heart-warming and extemporaneous speech. She said: During the past 2 years, responding to the call of the party Central Committee and placing the interests of the party and the people above everything else, our veteran comrades have expedited the reform of the cadre system and abolished lifetime tenure for cadres through their actions by happily stepping down from their leading posts and giving their seats to younger comrades, fully displaying veteran cadres' lofty spirit and fine qualities.

Comrade Wan Shaofen then briefed the veteran cadres on Jiangxi's gratifying political and economic situation, and the situation in promoting reform, developing the old revolutionary areas, and combating unhealthy practices. She hoped she would continue to have the care, support, and assistance from the retired veteran comrades, especially those retired from provincial organizations, during the new year. She said, as did Comrade Chen Yun, that veteran comrades should never retreat to the second line or retire from setting an example for others, caring for party conduct and party discipline, and playing a supervisory role, but should remain on the first line for as long as they live if they are party members.

SHANDONG SECRETARY AT SPRING FESTIVAL GATHERING

SK100230 Jinan Shandong Provincial Service in Mandarin 2300 GMT 9 Feb 86

[Text] The Shandong Provincial CPC Committee and the provincial people's government held a Spring Festival gathering in the auditorium of the club of the Nanjiao Guesthouse on the morning of 9 February.

More than 600 people, beaming with satisfaction, happily gathered together to extend regards and wish each other happy new year. They included members and alternate members of the CPC Central Committee and members of the Central Advisory Commission and the Central Discipline Inspection Commission who were in Jinan; members and alternate members of the provincial CPC Committee; members of the provincial Advisory Commission; Standing Committee members of the provincial Discipline Inspection Commission and the provincial People's Congress; the governor and vice governors; advisers to the provincial government; Standing Committee members of the provincial CPPCC Committee; and responsible comrades of the provincial Higher People's Court, the provincial People's Procuratorate, the provincial-level democratic parties, the provincial-level departments, commissions, and bureaus, and universities and colleges in Jinan. They stated that in the new year they would work together to bring vitality to Shandong and prosperity to all trades and professions.

On behalf of the provincial CPC Committee and the provincial government, and speaking on his own behalf and that of his family, Comrade Liang Buting wished all participants at the gathering a happy new year, and happiness and success for their families. He said: At the moment when we ring out the Year of the Ox and ring in the Year of the Tiger, I am going to report a piece of good news to all of you. Our economic situation was gratifying in the first month of 1986. The industrial output value was 10 percent higher than that of the corresponding period of 1984. This good situation will be sustained after the Spring Festival.

After the gathering, leading comrades, including Liang Buting, Li Changan, and Jiang Chunyun, inspected the contracted construction projects in Jinan City, some of which have been completed and some of which are under construction, such as the (Shenggeng) mountain villa, (Mingsheng) Street, the (Chenjialou) overpass, and (Tiancheng) commercial street.

SHANDONG COMMENTATOR ON POLITICAL LIBERALISM

SK100128 Jinan DAZHONG RIBAO in Chinese 20 Jan 86 p 1

[Commentator's article: "Oppose Political Liberalism"]

[Text] In his article "Oppose Liberalism" Comrade Mao Zedong pointed out: Liberalism is "a kind of corrosive that demolishes unity, relaxes relations, slackens work, and causes opinions to diverge. It make the revolutionary rank lose their strict organization and discipline and fail to implement policies through to the end, and segregates the party's organizations from the masses they lead. This is a serious, vicious trend." Liberalism is very harmful, and political liberalism is all the more harmful. In conscientiously improving the work styles of organs, one of the very important aspects is to resolutely oppose and overcome political liberalism.

In some of our organs, and even in leading organs, the trend of political liberalism has developed to such an extent that the issue brooks no negligence. A small number of comrades do not take the party's principles and discipline seriously. They wantonly give their opinions on serious political matters, are irresponsible in what they say, and even spread dissatisfaction with the party's line, principles, and policies. Some express their complaints arbitrarily everywhere instead of doing so through proper channels, totally disregarding the impact and consequences. There are even persons who love to believe in rumors, pass on hearsay, and spread rumors and slanders. Such erroneous tendencies seriously interfere with the organs' work, undermine unity, endanger the party's image, and impair the implementation of the party's line, principles, and policies. In our society there is a trend of airing complaints and "widely circulating" some totally groundless, specious, and irresponsible talk that confuses right and wrong, and some sheer rumors are spread very quickly. The more important an issue is and the more it involves leading comrades, the more vigorously people will talk about it.

Liberalism in organs is only part of such an evil trend. Besides, anything that is spread from organs will more easily confuse and poison the people's minds, and is more harmful. In this sense, our opposition to the organs' trend of political liberalism is a requirement not only for improving the ideology and work styles of organs but also for maintaining stability and unity throughout the entire society.

Some people may ask how private discussions can be interfered with when we are stressing democracy. This is a question that we should clarify. We should, of course, stress democracy, which will be increasingly developed following the development and progress of society. However, liberalism is a matter totally different from democracy. Democracy means the people's political rights to air their views freely and to participate in the administration of the state's political power. Its purpose is to guarantee the people's status as masters of the country, and to ensure the nature of the state as a socialist country and the development of its various socialist undertakings. However, liberalism is the other way around. It never means treating the party's and state's affairs with a serious attitude, it lacks principles, and it disregards organization and discipline. It means an expression of personal feelings out of personal or senseless motives, with the aim of stirring things up. Since the 3d Plenary Session of the 11th CPC Central Committee, we have negated the erroneous principle of "taking class struggle as the key link," and widely carried forward the socialist democracy. With an ease of mind, people express their views freely, and no longer have to be afraid of being labeled as "counterrevolutionaries" because of some imprudent remarks. Never have the inner-party political life and the entire social life been as vigorous as now. This is a fact for all to see and acclaim. In such a situation, we should all the more value the already-formed democratic situation, and prevent liberalism from becoming rampant in the name of democracy. Otherwise, normal democratic life will be interfered with, and the excellent situation that has already taken shape will be damaged. We must pay attention to this.

Stressing principles and discipline, and treating all political issues with a serious attitude are indicators of the prosperity and development of our party and state. Our leading organs at all levels and all our party-member cadres and personnel of organs should adhere to the party's principles; abide by the party discipline; proceed from the unity of the party and the revolutionary ranks, and from the vital interests of the masses in doing everything; set strict demands on themselves; and refrain from saying or doing anything they should not. They should express their complaints through proper channels. With regard to the sheer nonsense, slanders, and political rumors, which are detrimental to the implementation of the party's line, principles, and policies and to the party's image, they should not believe in or spread them, but should resist them of their own accord. Organs at all levels should improve and strengthen the party's regular activities. They should, on the one hand, encourage party members to exercise their democratic rights and to actively air their views for the purpose of improving party style and social conduct, building the socialist material and spiritual civilizations, and enabling the party to exercise better leadership and unite more closely with the masses. On the other hand, they should eliminate the tendency of political liberalism through conscientious criticism and self-criticism. At present, many organs are lax or even not regular in carrying out party activities. Many ideological problems of party members cannot be solved in a timely manner. This is one of the important reasons for the budding and even rampant tendency of political liberalism in organs.

"All loyal, honest, active, and righteous Communist Party members, unite and oppose some people's tendency of liberalism, and enable them to adopt a correct approach." This was a call to the whole party issued by Comrade Mao Zedong half a century ago. Through opposition to liberalism within the party and the revolutionary ranks in those years, the unity and unification of the revolutionary ranks were strengthened, and the vigorous development of revolutionary struggles was promoted.

Today, as long as the masses of party members and organ personnel exert concerted efforts; oppose political liberalism; and put their major energy in implementing the party's line, principles, and policies in a creative manner and in carrying out the four modernizations wholeheartedly, we will certainly be able to improve the work styles of organs, further strengthen the unity of the whole party and the whole society, and effectively stimulate the development of socialist modernization and various socialist undertakings.

Let us eliminate political liberalism; carry forward the healthy revolutionary trends characterized by unity, activity, seriousness, and vigor; work diligently; engage in less empty talk; and strive to be new "foolish old men" to serve and do more solid work for the people.

CHEN PIXIAN AT SHANGHAI OLD CADRES MEETING

OW071023 Shanghai City Service in Mandarin 0100 GMT 7 Feb 86

[Text] Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee, attended an old cadres Spring Festival forum in Shanghai on 3 February. He urged all comrades in the party in Shanghai to work hard together to accomplish the great task of transforming and revitalizing Shanghai during the Seventh 5-Year Plan.

Chen Pixian said: Old comrades have made great contributions to the party and the people. They are invaluable assets of our party and our country. At present, old comrades have an important duty to carry forward the party's fine traditions and improve the party's conduct. I hope that you will take the lead in carrying forward the party's fine traditions and good work style, set a good example for young cadres to follow, and continue to offer your advice to support the work of the municipal party committee and the municipal government.

WANG FANG AT ZHEJIANG ARMED POLICE MEETING

OW041003 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 3 Feb 86

[Text] The 5-day enlarged meeting of the party committee of the Zhejiang Provincial People's Armed Police Corps and the corps' second meeting to commend advanced collectives and individuals closed on 2 February. Wang Fang, secretary of the Zhejiang Provincial CPC Committee, and Xia Zhonglie, director of the provincial Department of Public Security addressed the joint meeting. (Yu Kejia), commander of the provincial People's Armed Police Corps, delivered a work report.

Comrade Wang Fang pointed out: The People's Armed Police Force must adhere to the principle of enforcing strict discipline among police members and attaching primary importance to grass-roots units. It should take the lead in improving party conduct and earnestly undertake party rectification. Its office cadres should take the lead in stopping unhealthy tendencies.

He hoped that more advanced units and individuals in popularizing legal knowledge and improving party conduct would emerge in the provincial People's Armed Police Corps this year.

Some advanced units and individuals were commended at the meeting. They included the 3d Company of the 1st Battalion of the provincial People's Armed Police Corps, and (Quan Jingmiao), chief of a fire station in Putuo County.

BEIJING SECRETARY VISITS ORPHANS, DISABLED SOLDIERS

SK101406 Beijing BEIJING RIBAO in Chinese 1 Feb 86 p 1

[Text] On the morning of 31 January, Li Ximing, secretary of the municipal CPC Committee; Zhang Baifa, vice mayor; and responsible comrades of the municipal Federation of Trade Unions went to the municipal children's welfare house and the social welfare house to visit orphans and handicapped children, and disabled soldiers.

The municipal children's welfare house is the municipality's only welfare unit for orphans and handicapped children. At present, it houses some 200 orphans who are either handicapped or mentally retarded, or both, and handicapped children who are financially supported by their parents. Comrade Li Ximing heard with deep concern a report by a responsible comrade on the welfare house. He nodded happily when he heard that more and more units and individuals are showing concern for and supporting children's welfare projects, and that the house has received more than 800,000 yuan of money and material donations. Comrade Zhang Baifa asked emphatically about the designing and the construction progress of the "amusement park for orphans and the handicapped." They also visited the children's dormitories and watched their performances. After the visit, Li Ximing and others went to the social welfare house to visit the disabled soldiers who are spending their remaining years there, and to extend festive greetings to them.

XING CHONGZHI AT HEBEI FORUM OF NONPARTY PERSONAGES

SK071218 Shijiazhuang HEBEI RIBAO in Chinese 25 Jan 86 p 1

[Text] On 24 January, the provincial CPC Committee and the provincial people's government held a forum of nonparty personages in Shijiazhuang to solicit their opinions on the "draft" of the "Guiding Program for the Work in 1986" of the provincial CPC Committee and the provincial people's government.

Attending the forum were 25 responsible persons of various democratic parties, Overseas Chinese federations, industrial and commercial federations, Taiwan compatriot federations, Islamic associations, and the Huangpu alumni groups throughout the province. The forum was presided over by Xing Chongzhi, secretary of the provincial CPC Committee, and attended by Zhang Shuguang, deputy secretary of the provincial CPC Committee; and Yin Zhe, chairman of the provincial CPC Committee.

To strive for a fundamental improvement in party style and the social conduct at large, and to win the first battle of the "Seventh 5-Year" Plan, the provincial CPC Committee and the provincial people's government decided to hold this forum at the beginning of this year to fully heed the opinions of nonparty personages. The personages from various circles who participated in the forum deeply felt that the provincial CPC Committee and the provincial people's government have showed concern and trust for the nonparty personages by open-mindedly listening to the opinions of various circles concerning the major provincial plans. With the spirit of being responsible for the provincial work, the forum participants offered many valuable suggestions after full preparations. At the forum, the participants took the floor warmly and cordially. The forum was held in an atmosphere of democracy and unity.

At the conclusion of the forum, Comrades Xing Chongzhi and Zhang Shuguang cordially accepted the suggestions of the forum participants, and thanked them for their support to the work of the provincial CPC Committee and the provincial people's government. Comrade Xing Chongzhi said: Your suggestions are very good. Some of your suggestions will be adopted in revising the "program," and some will be used to improve practical work in the future. He also said that such forums would be held on several occasions this year in order to discuss the major events with the nonparty personages and to listen to their opinions.

He called on all nonparty personages to cooperate with the party in an even closer manner, and single-mindedly work hard for promoting the construction of the two civilizations of our province.

HEBEI'S XING CHONGZHI TOURS CANGZHOU PREFECTURE

SK100235 Shijiazhuang HEBEI RIBAO in Chinese 25 Jan 86 p 1

[Text] During his investigation and study tour of the six counties and cities of Cangzhou Prefecture, including Qingxian, Huanghua, Yanshan, Mengcun, Xianxian, and Botou, from 13 to 20 January, Xing Chongzhi, secretary of the provincial CPC Committee, listened to the reports delivered by the county and city CPC committees; visited 38 peasant families, more than 20 town- and township-run enterprises and 6 factories in 19 villages of 12 townships, toured the Huanghua seaport; and held talks with party members, cadres, the masses, and retired comrades. He encouraged the cadres at all levels and the broad masses of party members to work together to make solid contributions to realizing the goal of effecting a fundamental turn for the better in party style among the party and government leading organs at the provincial, prefectural (city), county, and township levels set forth by the provincial CPC Committee, and to promoting a better development of reform and the economic work.

Comrade Xing Chongzhi focused on inspecting and understanding the situation in the education on party style and party discipline, the party's ideological and organizational construction, the rural party rectification, and the achievements scored by party-member cadres since the 3d Plenary Session of the 11th CPC Central Committee. While listening to the reports made by the different localities, he set forth that we must attach importance to correctly estimating and clearly understanding the situation of party style in order to achieve party style. He said that we should make a quantitative analysis of the party rectification work of the county and township units to see which units have realized a fundamental turn for the better party style and what measures they should take for further consolidating and improving party style, to see which units have basically achieved party style and what measures they should take for solving problems if they have any, and to see which units have more problems. He urged leaders to attach importance to giving instructions, in line with different actual conditions, for solving problems. He said: We must clearly tell the people that in response to the great decisions of the central authorities and the provincial CPC Committee on grasping party style, the broad masses of party members oppose the unhealthy practices, most of the comrades with various problems are willing to correct their problems, and the main trend of party members and cadres is good. We have done much work with regard to correcting the unhealthy practices over the past few years, and have laid a certain foundation and gained experiences in this regard. A large group of advanced collectives and individuals in this regard has emerged. This is a favorable condition for straightening out party style. At present, the unhealthy practices have formed into a "trend." Some party-member cadres, even leading cadres, are seriously indulging in these unhealthy practices. However, as long as we clearly understand the situation, have firm confidence, and make concerted efforts, we will certainly realize a fundamental turn for the better in party style.

In line with the actual conditions, Comrade Xing Chongzhi and the responsible cadres of the counties, cities, and townships summed up the experiences in straightening out party style to see where they lagged behind, and studied and worked out measures for improving party style. He repeatedly said that the four requirements set forth by Comrade Yaobang, such as "improving efficiency, studying hard, strictly enforcing discipline, and enhancing party spirit," are matters of fundamental importance. Thus, we must conscientiously study and implement these four requirements in line with the actual conditions. In the course of party rectification, we should conscientiously solve, in a step-by-step manner, the problems about which the people have many complaints, such as, some party-member cadres taking advantage of their power to seek private gains, to covet public property, and to be in arrears with public funds; some party-member cadres being lax in discipline; and some violating the law and discipline.

We must pay attention to separating the complicated problems on sorting out financial affairs from party rectification. After hearing the report on which the Botou City CPC Committee, the city government, and the city People's Congress have set an example for all towns and townships in firmly eliminating the unhealthy practices, Xing Chongzhi urged the new leading body of the city CPC Committee to set an example for the whole in bravely taking up and coping with the problems on the basis of each level grasping the work of the next lower levels. The work of eliminating the unhealthy practices should be carried out immediately and practical results must be scored in this regard.

Efforts should be made to grasp education on the one hand, and to strictly enforce discipline on the other. What is important is that efforts should be made to straighten out ideology. The work of straightening out ideology represents that of conducting education. Therefore, we should carry out education on party spirit and discipline. Meanwhile, we should conduct education along with organizational readjustment. We should strictly enforce discipline to cope with the serious problems and with those who have refused to mend their ways despite repeated admonition. We should dismiss the leading cadres from their posts and the party members from the party, when found unqualified. Those who deserve to be punished or dealt with should be punished or dealt with in line with the law. By no means should we tolerate their mistakes and be overlenient. Comrade Xing Chongzhi praised the method adopted by the Qing County CPC Committee in achieving a turn for the better in party style by grasping both typical positive and negative cases. While praising their practice, he pointed out: Efforts shouls be made to integrate the work of grasping the typical cases with that of arousing the masses, and to integrate destruction with construction. We should dare to grasp typical negative cases or major and serious cases. We should also arouse the masses to hold discussions after we have exposed these typical cases in order to educate a large number of people through them. Comrade Xing Chongzhi also acknowledged the experience of Huanghua County in attaching great importance to the people's petition letters and visits; of Mengcun Hui Autonomous County in enforcing the responsibility system among the leading personnel in straightening out party style; and of Yanshan Country in paying attention to blocking the malpractice of the "three-poor-management" [san bu guan] committed by the economic departments, enterprises, and the township level units. In coping with the problems in which localities had incurred many recurrences of malpractices and had the difficulty of arbitrary pleading for mercy for wrongdoers, Comrade Xing Chongzhi particularly pointed out: In blocking malpractices, we should first be determined, and second, should conduct the work in a protracted manner, enhance the measures to conduct consolidation and reforms, carry out reforms while conducting consolidation, establish or improve the system of checking or appraising party style, and carry out supervision of the masses and regular inspections. The better method of blocking the practice of pleading for mercy is to register their pleadings and then, to make them open to the public. We should regard as an information channel the repeated petition letters and visits of the people, and as a measure the people's supervision over cadres and party style. Efforts should be made to enhance the construction of the personnel's ranks in charge of people's petition letters and visits and to bring into play the function role of the discipline inspection departments.

To straighten out party style, Comrade Xing Chongzhi has repeatedly stressed the important ideology in which efforts should be made to make progress in conducting reforms, to accelerate the pace of economic development, to grasp the two civilizations simultaneously, and to achieve marked results in both of them. After visiting Wang Shanyu, a model party member who had won the nickname of "Niu Bai Sui," and Zheng Shuming in Qing and Huanghua Counties; Li Xixian, model party secretary of Mengcun Hui Autonomous County; and the advanced collectives of more than 10 townships and villages, which scored achievements in leading the masses to mutually become wealthy, Comrade Xing Chongzhi happily said that the new successors of the generation had become mature and the new morale of the generation had developed.

He repeatedly stressed that the work of developing the economy and helping the people become wealthy represents the concrete reflection of the objective taken up by party members and cadres in wholeheartedly serving the people, and also represents the practical experience gained in straightening out party style. At present, we should foster morale and public opinion to enable the masses to truly understand the glory of serving the people and the shame of committing malpractices to create a favorable social circumstance for straightening out party style. He also made a special inspection trip to the "poorest" Fengzhuang Township of Botou City and the "48 villages" areas of Xian County to visit the poorest villages and households to carefully inquire about their food, housing, and clothing conditions. He said to the cadres of the prefectural, county, and township units that the leadership should set examples in doing a good job in ferreting out the reason why these poor townships and villages had not experienced a large change while the country, the province, and the prefecture had generally experienced large changes during the more than 6 years since the 3d Plenary Session of the 11th CPC Central Committee. The most fundamental issue in conducting party rectification and straightening out party style among the poor villages is to lead the masses to get rid of their backward situation and to become wealthy as soon as possible.

HEBEI: XING CHONGZHI ON SIMPLIFYING MEETINGS

SK070731 Shijiazhuang HEBEI RIBAO in Chinese 26 Jan 86 p 1

[Text] On the morning of 25 January, Xing Chongzhi, secretary of the provincial CPC Committee, declared at the conference of secretaries of the prefectural and city party committees that the conference should not provide room and board for the participating Standing Committee members of the provincial CPC Committee, including their secretaries and drivers, and the participating responsible comrades from the provincial level departments and bureaus. He also declared that the number of working personnel of the conference should be curtailed as much as possible and that the rooms reserved for the participants of the conference should be fully occupied. The conference is the first meeting sponsored by the provincial CPC Committee this year, and it should mark a good start in simplifying meetings. First of all, the provincial-level organs should take the lead in refraining from accepting the room and board provided by the conference and in simplifying the conference spendings in order to set an example for the work of convening meetings.

The conference is a very important gathering during which we should relay the spirit of the central conference on rural work and discuss and study the guiding outlines of the 1986 work taken up by the provincial CPC Committee and the provincial people's government. At 1145 this morning, when the conference went into recess, the participating leading comrades of the provincial authorities and responsible persons from the provincial level departments and bureaus returned in succession to their homes for lunch. The responsible comrades of the conference told reporters that none of the 20 participants from the provincial leadership and the 47 responsible comrades from the provincial departments and bureaus had sought room and board from the conference or bought meal tickets. The secretaries of the prefectural and city party committees have brought with them only one or two working personnel. Meanwhile, there are only 22 working personnel at the conference, and some of them also have no room and board privileges provided by the conference.

QINGHAI'S YIN KESHENG AT SUPPORT-ARMY PARTY

HK050959 Xining Qinghai Provincial Service in Mandarin 2330 GMT 31 Jan 86

[Excerpts] Yesterday afternoon, the provincial CPC Committee and government held a support-the-Army spring festival tea party at (Xiyuan) Hotel. The party was attended by party, government, and military leaders at the provincial and city levels, including Yin Kesheng, Liu Feng, (Lu Baoyun), Zhao Haifeng, Ma Wanli, Shen Ling, (Zhou Shuxian), Qiang Jianhua, (Bai Shicai), and so on.

Yin Kesheng, secretary of the provincial CPC Committee, spoke at the party. On behalf of the provincial CPC Committee and government, as well as all people of the province, he expressed solicitude and extended season's greetings to the fighters of PLA units and the armed police force, which have made great contributions to building the two civilizations, as well as to families of the province's martyrs, disabled revolutionary servicemen, demobilized servicemen, and retired Army cadres.

At the party, (Lu Baoyun), political commissar of the provincial military district; (Sun Guoxiong), head of the provincial armed police force; (Nie Yebo), father of Comrade (Nie Jiangqing); (Shan Zhichun), battle companion of (Nie Jiangqing); and representatives of servicemen's relatives also made speeches.

In addition, beginning from 28 January, Yin Kesheng, Liu Feng, Ma Wanli, and responsible comrades of the provincial CPC Committee Propaganda Department the provincial Education Department, and the provincial Federation of Trade Unions visited some teachers and retired teachers in Xining District and Huzhu and Gonghe Counties. The leading comrades of the provincial CPC Committee encouraged them to work hard and develop more qualified personnel for the motherland.

SHAANXI CADRE VIOLATES DISCIPLINE; EXPELLED FROM CPC

HK060701 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 2 Feb 86

[Text] (Gao Yaoheng), director of the Weinan City Labor and Personnel Bureau, put on a big show for his son's wedding, gave a dinner, and received gifts. As leading comrades of the central authorities and provincial CPC Committee paid attention to this problem, the Weinan Prefectural and City CPC Committees clearly investigated this case and made a decision on expelling (Gao Yaoheng) from the party, suggesting that he should be discharged from his administrative post. Yesterday the provincial CPC Committee issued a circular on this case to party organizations at all levels throughout the province.

On 20 December last year, (Gao Yaoheng) ignored the advice of leading comrades of the Weinan City CPC Committee and city government and insisted on putting up a shed, adorning it with festoons, and giving an extravagant dinner when his second son got married. After this occurred, the Weinan Prefectural and City CPC Committee immediately sent people to investigate and deal with the case. After leading comrades of the central authorities read the data on (Gao Yaoheng's) case, they wrote some instructions. Bai Jinian, secretary of the provincial CPC Committee, gave instructions on many occasions on investigating and dealing with this case and sent a deputy secretary of the provincial Discipline Inspection Commission to Weinan to help the prefectural and city CPC committees investigate and deal with it.

It has now been clearly established that when his son got married, (Gao Yaoheng) used 9 motor vehicles, gave a dinner with some 90 tables, received gifts of various kinds valued at some 3,000 yuan, asked 35 performers of the prefectural and city professional opera troupes and of the peasants' recreation team to perform for him, and showed 5 films for 2 consecutive nights to add to the fun.

It has also been clearly established that (Gao Yaoheng) took advantage of his power to practice fraud, turned the rural residence status of his son and of his daughter who had been adopted by other people, into urban residence, and transferred his daughter-in-law who had been a worker in another county to the Weinan City Public Security Bureau.

In view of the above problems, the Weinan City CPC Committee has decided to instruct the department concerned to recover his son's and daughter's urban residence permits; to transfer his daughter-in-law from the public security department; to demand payment of the charges for the motor vehicles he had used, in accordance with regulations; and to continue to clearly investigate other problems concerning (Gao Yaoheng) which the masses have reported.

In its circular, the provincial CPC Committee pointed out: A Communist Party member must firmly remember at all times the aim of wholeheartedly serving the people and maintain and carry forward the party's excellent tradition of plain living and hard struggle. Although Comrade (Gao Yaoheng) joined the party over 30 years ago, his ideology was not transformed very well. The decadent feudalist ideas of bringing honor to his ancestors and [words indistinct] in his mind and the backward customs of putting on a show were very serious. He completely lost that moral character which a Communist Party member should have.

The provincial CPC Committee demanded: Party organizations at all levels and party-member cadres must seriously draw a lesson from the mistakes (Gao Yaocheng) made, penetratingly carry out the current rectification of organs' work style, and further strengthen ideological and political work and education in party spirit, party style, and party discipline so that the party member cadres can conscientiously resist and oppose the corrosive influence of decadent capitalist and feudalist ideology and resolutely struggle against all unhealthy trends. Leadership organs at all levels of the party and government must immediately organize vigorous groups to clearly investigate and deal with several big and serious cases so as to strengthen the party members' and the masses' confidence in correcting party style and to achieve a basic improvement in party style and in the general mood of society.

SHAANXI PREFECTURE HANDLES VIOLATIONS OF DISCIPLINE

HK311416 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 28 Jan 86

[Text] The Hanzhong Prefectural CPC Committee has seriously investigated and handled cases of violation of regulations and discipline by leading cadres at the county level, thus showing the masses inside and outside the party the actual results of party rectification and giving an impetus to the in-depth development of party rectification throughout the prefecture.

In early September last year, the Hanzhong Prefectural CPC Committee set up a party rectification inspection group formed by three leading cadres respectively from the prefectural Discipline Inspection Commission, the prefectural party rectification office, and the prefectural Organization Department. The group spent 1 and 1/2 months visiting the counties of Hanzhong, Mian, Ningqiang, Yang, Zhenba, Xixiang, Lueyang, and Foping, and examined case by case and person by person the handling of problems concerning violations of regulations and discipline by leading cadres at the county level.

By making use of his relations with some acquaintances, an inspector working with the Yang County CPC Committee made an arrangement to have his daughter, a factory worker, transferred to a post at the county procuratorate.

Many people complained to the county CPC Committee about this case. This comrade persistently refused to admit his mistake although the investigation into the case proved his fault. The inspection group visited Yang County and talked with this comrade. Through patient and meticulous education, the inspection group finally made him realize his mistake and convinced him to have his daughter transferred to another post by a fixed date.

Apart from sending the inspection group, the three leaders of the prefectural CPC Committee have concentrated their attention on some units faced with more problems, and have devoted efforts to solving some knotty problems.

By practicing fraud, seven leading cadres of Zhenba County arranged to have their children admitted to universities under the pretext of fostering qualified personnel for town and township enterprises. During the party rectification, the county CPC Committee dared not deal with this case and thus aroused grievances among the masses. Having heard of this case, prefectural CPC Committee Secretary (Wang Yun) urged the Zhenba County CPC Committee to solve the problem promptly. Consequently, the children of these seven leading cadres who were not up to the requirements were soon dismissed by their colleges.

By late December last year, the Hanzhong Prefectural CPC Committee had handled the cases of 77 leading cadres at the country level who had violated regulations and discipline, which accounted for over 95 percent of the cases of such violations which were discovered. The prefectural CPC Committee's efforts have given an impetus to the in-depth development of party rectification throughout the prefecture.

SHAANXI PARTY LEADER ON SELECTION OF LEADING CADRES

HK010237 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Excerpt] Shaanxi has paid attention to selecting leading cadres from among educated young and middle-aged persons who have practical work experience. The 16 new members and alternate members of the provincial CPC Committee elected at the provincial conference of party delegates are all young and middle-aged persons who have more than 10 years of grass-roots work experience, and 11 of them have tertiary education.

Provincial CPC Committee Secretary Bai Jinian said: We must stress diplomas, but lay all the more stress on practical work ability and achievements in selecting cadres in the future. We must place the organ cadres in the grass-roots for tempering and help them improve their own ability there. In the future, organ cadres who have not undergone a relatively long period of tempering in the grass-roots cannot be selected for leading posts at and above county-level.

In recent years Shaanxi has promoted a total of 7,190 young and middle-aged cadres to leadership posts at all levels. Over 5,000 of them are holding leadership posts at and above county and office [chu] level. Most of these cadres have relatively high educational standards, they are mentally lively, and their work enthusiasm is high. However, many of them come from the organs, and a considerable number went to work in the organs as soon as they graduated. They thus lack experience in grass-roots work.

To help the cadres improve their political and professional qualities and organizational leadership ability, the provincial CPC Committee decided last September to carry out rotational training in batches for grass-roots urban and rural cadres and to transfer a large number of cadres to strengthen grass-roots work. By mid-January, 8,700 cadres from the provincial, prefectural, and county leading organs had been sent to the rural and mountain areas, including over 7,000 young and middle-aged cadres aged under 40.

SHAANXI LEADERS MEET ADVANCED, MODEL WORKERS

HK031001 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 29 Jan 86

[Excerpt] On the night of 29 January, Bai Jinian, secretary of the provincial CPC Committee; Li Qingwei, governor; Mou Lingsheng, deputy secretary of the provincial CPC Committee; and Zhang Bin, vice governor, met at the Shaanxi Hotel with members of the province's report group of advanced and model workers, which has just successfully completed its tour across the province.

The responsible comrades of the provincial CPC Committee and government praised the 13 members of the group. They said that through report meetings they had educated more than 72,000 people by showing their personal experiences.

Also attending the meeting were Mao Zhengxian, director of the provincial CPC Committee Propaganda Department and (Jie Zhaoyun), director of the provincial Federation of Trade Unions.

The report group was organized by the provincial CPC Committee Propaganda Department and the provincial Federation of Trade Unions. After 23 days of report meetings, the group completed its tour to various provincial departments and some localities of the province, on 29 January.

SONG HANLIANG VISITS XINJIANG PLA UNITS

HK040824 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 30 Jan 86

[Excerpts] This morning, led by leading comrades of the regional party and government, the regional Spring Festival support-Army comfort group went to the leadership organ of the Xinjiang Military District to pay comfort visits. When Song Hanliang, secretary of the regional CPC Committee; Tomur Dawamat, deputy secretary of the regional CPC Committee and chairman of the region; (Poerxin Atawula), (Reer Maimaitudi), and Xie Gaozhong, deputy heads of the general comfort group; and all members of the comfort group arrived at the leadership organ of the Xinjiang Military District, they were warmly welcomed by Liu Haiqing, commander; (Tang Guocai), political commissar; and several hundred cadres and fighters who were waiting there.

Leading comrades of the region, members of the comfort group, leaders of the military district, and family members of Xinjiang fighters at the southern front held a forum, at which Comrade Song Hanliang and Comrade Tomur Dawamat spoke. On behalf of the regional CPC Committee, regional people's government, and the people of all nationalities throughout Xinjiang, they wished the commanders and fighters of the Xinjiang Military District happy Spring Festival.

Liu Haiqing, commander of the military district, informed the leading comrades of the region and the comfort groups of the situation in all aspects of work among the PLA units. He declared that PLA units stationed in Xinjiang would proceed on the basis of Xinjiang's situation, actively plunge into the work of exploiting and building Xinjiang, help the people of all nationalities develop their economic and cultural work, and vigorously do good things for the people of all nationalities.

(Wang Shuhua), (Meng Xianbin), and (Li Yanding), relatives of Xinjiang fighters at the southern front, also spoke at the forum.

MISSILE UNITS RAISE VIGILANCE AGAINST INVASION

OW071445 Taipei CNA in English 1436 GMT 7 Feb 86

[Text] Taipei, Feb 7 (CNA) -- The Army of the Republic of China has heightened its vigilance against possible military invasion and has pledged its determination to crush any intruding enemy forces in order to make it possible for the people here to have a peaceful Lunar New Year holiday, which starts Saturday.

Army missile units in northern Taiwan are one of the nation's principal combat forces responsible for safeguarding the nation's territorial space. A CNA reporter, who was recently invited to visit a military base in northern Taiwan, said Friday he was deeply impressed with the outstanding combat skills demonstrated by the troops stationed there.

During a recent military exercise in northern Taiwan, the Army's missilemen, who are equipped with advanced weapons and radar systems, have fully demonstrated their capability of destroying all invading flying objects without making a single mistake, the reporter said.

He also disclosed that the radar systems are able to detect the movements of flying objects even as far as in the border province of Sinkiang in the western China mainland, he said.

NAVY STEPS UP PATROLS FOR LUNAR NEW YEAR

OW070341 Taipei CNA in English 0257 GMT 7 Feb 86

[Text] Taipei, Feb 6 (CNA) -- To make the people in this country enjoy a joyful Chinese Lunar New Year holiday, the Navy has dispatched a strong task force to step up patrol in the Taiwan Strait against any possible offensives from the enemy during the period.

The task force, consisting of five destroyers, light missile-equipped speed boats and anti-submarine helicopters, started the patrol from a southern base. Braving the strong wind and high waves, naval personnel on board drilled hard to achieve combat-readiness.

Their experienced skills in various combat drills, the power of speed boat and anti-submarine operations in crushing hypothetical targets won the applause of reporters going along with the fleet.

Naval officers and soldiers said it is their duty, also their honor, to execute such a special mission although they cannot spend the New Year holidays with their families.

CHENG MING VIEWS STUDENT MOVEMENT, REFORM

HK090457 Hong Kong CHENG MING in Chinese No 100, 1 Feb 86 pp 25-27

[Article by special correspondent Liang Ren-shu: "Beijing's Student Movement and Recent Developments of Reform"]

[Text] This is the coldest winter I have ever experienced in my life. I sent off 1985 in Beijing. It was nice for a native of Hong Kong to see with his own eyes how Beijing spent Christmas and New Year's Day. In addition, there had been lots of rumors about China's changes in recent years. All this made me more determined to see things with my own eyes.

Individual Laborers Earn Several Hundred Yuan a Month, but Have a Hard Time Getting Married

The most attractive thing about Deng Xiaoping's reform is undoubtedly the economy, and a fresh phenomenon is the emergence of individual laborers in the urban reform. I had heard something about this in Guangzhou, but how is it in north China? How is it in the capital Beijing? During my stay in Beijing, I visited quite a few individual laborers and talked with some scholars of the Academy of Social Sciences. They told me that the proportion of the output value of the individual economy in the total output value of the national economy was about 4 to 5 percent. The individual economy is conducive to solving the problem of unemployment in the cities and to promoting commodity circulation.

In Beijing's urban area, as far as I could see, the individual market was most brisk near Qianmen. There were many eating spots there, and every evening at about 2000, when the state shops closed, their business began immediately. Most of them did not have shops; they can only be called pedlars, mainly selling roast mutton and dumplings. But they had many customers, including visitors from other areas, who were unable to have their meals in good time due to their busy schedule and shoping during the day, and who usually did not care much about prices. This kind of service could not be offered by state restaurants.

However, unlike Hong Kong, Beijing natives do not often patronize these individual eating houses. When some of my friend there mentioned individual laborers, they often showed an expression of despising them, thinking that most of them were "speculators," "people not attending to their proper duties," and those who could not find proper jobs in certain "units," or even some released criminals. I asked them: "Is it not good that they are making a living and seeking money through the proper channels? " On hearing this, they continued to criticize the individual laborers for "unscrupulously" cheating customers and providing low-quality service. Some of the individual laborers even tried to cheat their customers out of lots of money once and for all, they said. Some people sold used clothes that had been imported to "exploit" other people, and they succeeded since there were few varieties of fashion designs in north China.

A teacher told me that although the individual laborers earn several hundred yuan a month, they have a hard time in getting married, because girls look down upon them and dislike their low social position and cultural level. This shows that people are not "judging everything by wealth." He said frankly that he would not allow his daughter to fall in love with an individual laborer. Later I found that many people held the same view. On the other hand, the individual laborers themselves also completely understand that they are not accepted by society. Most of them regard their current jobs as interim measures. They are always ready to work in state or collective units and receive a monthly pay of several dozen yuan. Some are even prepared to wash their hands of such business immediately after they have earned tens of thousands of yuan.

The policy of the Chinese authorities is to "make all people well-off," but many people think that this is difficult to achieve in the cities. At present, apart from the individual laborers, there are also a number of private companies and partnership enterprises in the cities. They are free economic units in the market, but on the other hand, they can get rich through their special "relations" and "social connections." They are different from the contract system in the countryside, under which people can get rich only through diligence. They also differ from the slow accumulation in the countryside, but can become rich very quickly and earn large sums of money whenever a transaction is completed. This kind of capitalist business is unacceptable to most common people. Since there have been no great changes in the remuneration of state-owned units, for example, after the pay increase other benefits for teachers were reduced, they believed that if things go on like this, the contradictions among the people and the differences between rich and poor will certainly be sharpened, and a new social stratum will appear.

Buses Go Slow, Greatly Inconveniencing People

In the economic field, when I was in Beijing, I felt that there were two main problems: the problem of drivers and the problem of commodity prices.

The problem of drivers might only occur in Beijing. I do not know what the situation is in other cities. It is quite inconvenient for the people in Beijing to travel by bus. Although many people go to work on bicycles, due to the long distances between their homes and working places and the severe winter cold, buses are still the main public vehicles in Beijing. But for quite some time, Beijing's bus drivers seemed to have deliberately made things difficult for the urban residents. With their poor service, it often happened that the buses did not stop at the bus stops as required or several buses ran at the same time rather than at regular intervals. The residents were greatly inconvenienced when they had to wait for buses for 45 to 60 minutes in temperatures of minus 15 or 20 degrees centigrade. It was said that some women even cried when they waited at the bus stops, because they had no other choice but to take the bus.

The leaders of Beijing Municipality know very well about the bus problem, but are still at a loss about what to do even to this day. It was said that the reason was Beijing's bus drivers were discontent with their pay, said to be lower than a taxi driver's. At present, a bus driver receives about 100 yuan a month, including various kinds of allowances, but a taxi driver, whose working conditions are more comfortable, can earn several hundred yuan a month. In addition, the latter has a higher social position, hence the contradiction. Taxi fares are actually very high, and different cars have different fares. The minimum charge is 2.8 to 3.5 yuan, the waiting charge is double, and an additional charge of 50 percent is added to distances over 10 kilometers.

The problem of commodity prices might be a nation-wide problem. Almost all friends I met complained about floating prices and how expensive goods were. They said that the supply of many fashionable goods had often fallen short of demand. Extremely sensitive people in Beijing often rushed to purchase and heard some fashionable goods in short supply. A housewife told me that when she saw that many people had bought wollen cloth, she also went to buy 3 zhang, but the cloth was actually not suitable for her. As a matter of fact, the main task for the current readjustment is to control the prices of staple and non-staple foods. This year, only a few commodity prices have increased, and within very limited ranges too. The pace of development has been quite steady. According to an analysis, the main reason is that the level of the people's consumption has been raised and the demand for high-grade commodities has increased. Thus, the 7-yuan price subsidy certainly will not help.

Of course, the people's reaction to the price reform was mainly due to the shortage of material supplies and their low consumption ability. But this also reflects deep-rooted traditional ideas, which were shaped in the past 30 years. Since commodity prices were kept "unchanged" over the past 30 years and the Chinese authorities always emphasized "there is no inflation in China," once any floating prices appeared, people were very disturbed, thinking that the whole world was in disorder. Many people hate to see the phenomenon of speculation in the market, and more than 90 percent of them are still used to a life-style characterized by a state monopoly in everything under the planned economy.

Two Senior Cadres Were Arrested, Being Suspected of Whipping Up the Student Movement Against Deng

Today's Beijing can hardly impress people that it was a city of revolution for many years, where there were red flags everywhere. But after the students' anti-Japanese parade last year, people still feel that it is a politically sensitive city.

Last December, university students in Urumqi, Xinjiang, held an anti-nuclear demonstration. Strangely, it was quickly responded to in Beijing. More that 200 Uygur students soon went to Xinhuamen to present a petition. A friend, who is a correspondent, told me that the students in Urumqi did hold two demonstrations on 12 and 19 December. The city's Public Security Bureau declared that they took no coercive measures against the students since they had put forth some reasonable opinions. My friend once visited the Central Institute of Nationalities in Beijing. The regular students told him nothing about the incident, but some Uygur students said frankly that they had had telephone contacts with Xinjiang. Following are the three demands of the Urumqi students:

1. Forbid nuclear tests in Xinjiang and Qinghai.

2. Relax restrictions on minority nationalities on bearing children.

3. Give more opportunities to minority nationalities to study at higher schools and abroad.

Beijing's Uygur students added three more: Send no criminals to exploit Xinjiang, support Xinjiang's students' movement, and no confidence in Tomur [Dawamat] as chairman of the Xinjiang Autonomous Region.

The students said that it was not easy for the government to train a university student. They are the cream of the crop. Therefore, the government will not take serious measures against them. Had all this been started by some other unit, the government would have taken stronger measures. But they held that they may suffer some losses in job assignments on graduation. For this reason, most students did not join the demonstrations. Another reason was that this action was "of no use." Nevertheless, the school authorities have strengthened political management. In the past few years, students could attend political and theoretical classes rather casually. But now there are stricter requirements on the students and they are not allowed to be absent without a reason.

On the memorial day for Zhou Enlai's death (8 January), I took a special trip to Tiananmen Square with some friends. There I saw some floral wreaths presented by Bainqen and others, and several guards in uniform. Some people quietly put small white flowers or written poems on the trees. There was a calm and overcautious atmosphere on the square. I tried to talk with two citizens, but they just moved away from me as soon as I approached them. I felt that both the government and the citizens were still overcautious. They did not want anything unexpected to happen. "It is better to save our breath than to get into trouble."

The following is what I heard on other occasions about last year's anti-Japanese student movement: After the 18 September demonstration, two senior cadres were arrested. They belonged to the conservative faction, being suspected of "whipping up the student movement." Some people in Beijing's diplomatic circles held that the essence of the anti-Japanese movement was anti-Deng. The December 9th movement was prevented, but the students might have changed their activities into covert activities of small groups. Since last September, security work for the U.S. and Japanese Embassies has been greatly enhanced. There was also an internal document about this.

"For Me, God Means Material Gains!"

On Christmas Eve, I attended a midnight mass in Beijing's Xishiku Cathedral (North Hall). This was the first time the cathedral had been open in more than 20 years. It was renovated by donations from the Catholics, having typical Chinese colors, especially dazzling red. Bishop Fu Tieshan presided over the ceremony that night. Only a few Chinese were permitted to participate in this ceremony. They told me frankly that they had never participated in such a ceremony and did not know what it was like. They had come to "join in the fun."

In order to expand the effect of the propaganda, the government invited many reporters to make recordings and TV films. Sitting in the front row were some French visitors, the U.S. ambassador, and diplomats from various countries. Mayor Chen Xitong also attended the mass. At the beginning of the ceremony, the bishop said excitedly that he spent all his youth in this cathedral. He believed that Catholicism has a bright future in China. As the reporters were in the front of the hall, we could clearly see that the bishop's hands trembled the whole time he spoke. Since the bishop spoke in Latin, perhaps, having been cut off from the outside world for 30 years, he did not know that the native language can now be used in Catholic ceremonies so that the bishop can better identify himself with the listeners. The believers could only hear the sounds and understood nothing at all.

The most unforgettable impression for me was that the participants were all in a relaxed mood beneath the excited atmosphere. The young people seemed to have no scruples about talking. I asked some young friends: "What is God?" They replied:

"God is the ideal in one's heart!"

"When I read the Bible sometimes, I just accept its reasonable parts."

A reporter even said straightforwardly: "For me, God means material gains!"

I asked a university student: "Is communism a kind of religion?"

He answered without hesitation: "Yes, you are right!"

During Christmas and the New Year festival, there was no Santa Claus, lamp decorations, or Christmas songs in Beijing, except for in this church and some big hotels where foreigners were staying. People could only hear scattered sounds of firecrackers on New Year's Day. Taxi charges tripled. People went to take photos in front of Tiananmen.

On the evening of 3 January, I was invited to a reception held in the new concert hall on West Changan for a preview performance. This is China's first modern music hall with first-rate design, acoustics, decoration, and building materials, just as good as the Hong Kong Art Center and other buildings. But no matter how good it is, it is just a reproduction of foreign designs without new or Chinese characteristics. What disappointed people more was the old-fashioned performance. The programs for that evening were "The Huang He Cantata" and the "Ode to Joy" from Beethoven's Symphony No 9.

It seems that Beijing's artists could perform nothing better than the "reserved items" of pre-1949 and Western classical pieces. For theatrical programs, among those which have been most often performed are Lao She's "Teahouse" and Ba Jin's trilogy.

A literature and art worker later explained: "This is quite normal, because these programs are real artistic pieces and national treasures. It is safest to perform them since they have both fervor and patriotism!"

We also watched a performance by the "Coal Miners' Art Troupe," a qualified and experienced performing unit. Their performance was also the same, full of fervor and sermons. They were not the least bit negligent in acting, but had no new creations. After the performance, a taxi driver said that some of their items were performed as early as in the 1950's. As to the comic dialogue, which is much loved by Beijing natives, he also felt it "too rustic" and "not interesting at all."

But some progress has been achieved in TV programs. The Central TV Station has a program called "Happy Families," which has some similarities to Hong Kong TV's lucky-draw game. In a relaxed and natural mood, the host talks about growing flowers, making dresses, and other mundane topics, and the audience is invited to answer questions by drawing lots. This program reflects the real feelings of the people in Beijing. But other programs often impress people with artificiality. The actors and actresses often wear unnatural expressions and often look very awkward when touching upon certain questions. However, the audience demands nothing more, although they applaud in the theaters and watch television every evening.

Only the young people are sensitive and ambitious and often indulge in fantasy. I asked many people about socialism and capitalism; they all said that they like socialism and just stay at a respectful distance from rotten capitalism. But a young man told me: "Under capitalism there is freedom and the opportunity to get rich. What is 'rotten' about that? We young people do not believe that!"

TWO MINISTERIAL LEVEL OFFICIALS PUNISHED

HK070713 Hong Kong WEN WEI PO in Chinese 7 Feb 86 p 1

[Report: "China Investigates, Punishes Two Senior Officials at Ministerial Level· Zhou Erfu Removed From Office, Zhang Jun Given Serious Internal Party Warning"]

[Text] According to information from Beijing, China's struggle with unhealthy tendencies is no longer at the stage of "all talk and no action," and has entered a stage of "taking rapid and severe action." As some reliable sources revealed, two senior officials at ministerial level in the State Council have been punished.

One of these two officials is Zhou Erfu, vice chairman of the Committee for Cultural Exchange With Foreign Countries of the Ministry of Culture and vice president of the Chinese People's Association for Friendship With Foreign Countries. It is said that Zhou was involved in some economic crimes and some "lifestyle problems." During his visit to a foreign country, his behavior impaired the national dignity and lowered his personal dignity. Now he has been dismissed from office. The other ministerial-level official is Zhang Ju, former minister of astronautics industry. He was involved in a serious smuggling case in his ministry and has been given a serious internal party warning.

DAILY REPORT

China

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USSR ACCUSES U.S., UK OF ABM TREATY VIOLATIONS

OW120256 Beijing XINHUA in English 0243 GMT 12 Feb 86

[Text] Moscow, February 11 (XINHUA) -- The Soviet Union today accused the United States of violating the Anti-Ballistic Missile Treaty (ABM Treaty) by deploying two new large radars on the Shemya Island of the Aleutian Islands and in Greenland. Vladimir Morozov, deputy head of the Press Department of the Soviet Foreign Ministry, told reporters here today that one such radar is deployed on the Shemy Island of the Aleutian Islands. The construction has involved, in violation of accords reached, the use of elements tested on anti-missile defense targets, Morozov said. Work is also under way to build a phased-array radar of the Pave Paws type in Greenland, which, Morozov said, is a direct violation of Article 6 of the ABM Treaty reached between the Soviet Union and the United States in 1972. Morozov told reporters that the British Government too has of late embarked on a policy of undercutting the ABM Treaty. This is borne out by plans to deploy a new U.S. radar in the area of Fylingdales Moor in North Yorkshire. Although it is being claimed to cover up these plans that it is merely provided to modernize an American radar already existing there, what is meant in fact is the construction of a totally new facility of a totally new design, he noted. In the event of the implementation of these plans, the British Government would become directly involved in breaking the ABM Treaty of 1972, he said.

EAST, WEST EXCHANGE 'INTELLIGENCE AGENTS'

OW111754 Beijing XINHUA in English 1602 GMT 11 Feb 86

[Text] Berlin, February 11 (XINHUA) -- A total of eight intelligence agents were released in a dramatic East-West spy exchange here today. Western sources said three agents in addition to a Soviet computer expert were handed over by the East and five agents by the West. The Democratic German official news agency ADN announced that there were "several spies among those released." ADN said the exchange came after an agreement between the United States and Federal Germany on one side and the Soviet Union, Czechoslovakia, Poland and Democratic Germany on the other. Other reports said the negotiations for the exchange lasted for several months. The exchange took place at Berlin's Glienicke Bridge border crossing this morning, where on February 10, 1962 Francis Gary Powers, American pilot of a U-2 spy plane shot down by the Soviets, was traded for convicted Soviet master spy Rudolf Abel.

It was learned that the three released from East bloc jails included two West Germans, Wolf George Frohn and Dietrich Niestroj, and Czechoslovak Jaroslav Javorsky. Frohn, 41, was arrested in Democratic Germany in 1980 and sentenced in 1982 to life imprisonment for spying for West German intelligence. Niestroj, 50, was arrested during a stay in Democratic Germany in 1981 and sentenced in 1982 to life imprisonment on spying charges. Javorsky fled to Federal Germany and then returned to Czechoslovakia, where he was arrested and sentenced to 12 years for espionage in 1981. Soviet computer expert Anatoliy Shcharanskiy, 37, was sentenced to 13 years in prison in 1978 on charges of spying for the U.S. Central Intelligence Agency. The United States denied the allegations, saying he was a Soviet dissident asking for permission to emigrate to Israel. He was freed today separately shortly before the spy exchange. The five released by the West included Polish Lieutenant Colonel Jerzy Kaczmarek, 33, awaiting trial in Federal Germany since his arrest in March 1985. The others were: Yevgeniy Zemlyakov, 39, a member of a Soviet trade mission to Cologne, Federal Germany, was sentenced to three years in prison last September for computer spying; Detlef Scharfenroth was a Democratic German serving a four-year prison sentence in Federal Germany since last June for spying; Karl and Hana Koecher, a native Czechoslovak couple awaiting trial in the United States on suspicion of trying to infiltrate the CIA.

AMBASSADOR TO UN CONDEMNS APARTHEID POLICY

OW120640 Beijing XINHUA in English 0630 GMT 12 Feb 86

[Text] United Nations, February 11 (XINHUA) -- The root cause for the turbulent situation in southern Africa lies in the South African authorities' apartheid policy inside and the policy of aggression outside, said Chinese Ambassador Li Luye here today. Li, China's permanent representative to the United Nations, made these remarks at the Security Council meeting this morning. The Council began its current consideration of the situation in southern Africa on February 5 at the request of the African group. Today's meeting is the sixth in a row.

Referring to the policy of destabilization pursued by the Pretoria regime against its neighbors, the ambassador said that South Africa has since last year repeatedly dispatched troops into Angola, Botswana, and Lesotho, killing many innocent people. It has threatened to launch an armed invasion of Zimbabwe. Under the threat of aggression from the South Africa racist regime, he said, the newly-independent frontline states and other countries in southern Africa enjoy no security at all.

He said the racist regime has tried hard to justify its policy of aggression under the pretext of combating terrorism. "This is nothing but a sheer confusion of right and wrong," he added. It is the apartheid regime, he said, that is carrying out terrorist acts. It has not hesitated to employ large numbers of troops and police to suppress the struggle of the South African people, enforcing a reign of terror. Its troops have even crossed borders in pursuit of the refugees and carried out subversion and military intrusion into the neighboring countries. To eradicate terrorism in southern Africa, he said, the apartheid system must be eradicated, since it is the root cause for terrorism in the region.

The realization of peace and stability in southern Africa is the ardent desire of the peoples in the region and the unanimous call of the people of the world, he said. He praised the frontline states and other countries in the region for their unremitting efforts to this end. However, he said that South Africa has recently proposed to its neighbors to set up so-called "permanent joint mechanism" and threatened that should this proposal be "ignored or rejected," it would "take effective measures in self-defense." He said that the essence of this proposal is simply to legitimize South Africa's wanton interference in the internal affairs of the neighboring countries and to create excuses for armed intrusions into these countries. "The Chinese delegation holds that if the South African authorities truly want to improve their relations with the neighboring countries, they must abandon the hypocritical rhetorics and demonstrate their sincerity by actual deeds," he said. They must immediately cease their aggression and threat against their neighbors, unconditionally terminate their illegal occupation of Namibia and eradicate the system of apartheid, he said. Otherwise, he said in conclusion, no matter how hard the South African authorities may try, they will never be able to stop the just struggle of the South African people against apartheid and that of the Namibian people for national independence. The Council will meet again tomorrow, when the present round of discussions on southern Africa is expected to end.

REAGAN 'OPTIMISTIC' ABOUT ARMS CONTROL ACCORD

OW111854 Beijing XINHUA in English 1841 GMT 11 Feb 86

[Text] Washington, February 11 (XINHUA) -- U.S. President Ronald Reagan told the WASHINGTON POST Monday he is "optimistic" that the United States and the Soviet Union will reach an arms control agreement this year on intermediate-range nuclear missiles in Europe. He said in his interview, made public today, that the agreement could be reached because Soviet leader Mikhail Gorbachev is no longer requiring abandonment of a U.S. missile defense system known as the "star wars" program as a condition. He said the latest Soviet position conveyed in a meeting with U.S. Senator Edward Kennedy in Moscow is "a hopeful sign" although there are "points that have to be worked out."

Kennedy told a news conference soon after his return from Moscow on Saturday that Gorbachev had tied the timing of his next summit with Reagan to progress toward an agreement on the intermediate-range missiles. Reagan said yesterday he cannot believe that Gorbachev would want to scrap the summit and said the Soviet leader had agreed at the close of their Geneva meeting that there should be a second summit in the United States this year and a third summit in the Soviet Union in 1987. He said he continues to want the second summit to be held in June or July of this year so that it doesn't interfere with U.S. (?election) this fall. The Soviet Union had proposed to postpone the second summit until September. However, Reagan said the Soviet positions on British and French nuclear forces and on Soviet intermediate-range missiles in Asia remain obstacles to an agreement. Meanwhile White House spokesman Larry Speakes said yesterday that the United States very much appreciates the report of Kennedy on his meeting with Gorbachev in Moscow.

CONSULTATIONS UNDER WAY WITH NEW HAITIAN GOVERNMENT

OW080118 Beijing XINHUA in English 0106 GMT 8 Feb 86

[Text] Washington, February 7 (XINHUA) -- The United States is consulting with the new Haitian Government about its plans for the future and how the United States could be helpful, the State Department said today. The U.S. position was made after a five-member national council was formed in Haiti to replace former President Jean-Claude Duvalier who fled the country earlier this morning, ending his family's 28-year authoritarian reign in Haiti.

The State Department said earlier today that at a "direct request" for the transportation from Duvalier, a U.S. Air Force C-141 plane flew Duvalier and 23 members of his family earlier today to temporary exile in France. State Department spokesman Bernard Kalb said this afternoon "the Government of the United States and France cooperated in facilitating the peaceful departure from Haiti of President Duvalier in order to ease the transition in Haiti and reduce the possibility of bloodshed." "We are consulting with the new government on the conditions under which we would have relations. The United States remains committed to respect for democratic government and human rights," he added.

Defense Secretary Caspar Weinberger said this morning that the U.S. was very anxious to have stable conditions in Haiti. Weinberger also said the United States was prepared to step in if the lives of the 6,000 to 7,000 Americans in Haiti were threatened. The United States is now holding 26 million U.S. dollars in aid to Haiti and the State Department has asked Congress for new aid for Haiti amounting to 52 million dollars in the next fiscal year.

RENMIN RIBAO COMMENTARY ON 'TEAM SPIRIT-86'

HK120346 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 11 Feb 86 p 2

[Short commentary: "Military Exercises that Worsen the Atmosphere"]

[Text] On 10 February, the United States and the South Korean authorities flagrantly staged a joint military exercise called "Team Spirit-86" in the Southern part of Korea. Undoubtedly, this military exercise will worsen the atmosphere, which had already been relaxed through dialogue between the two sides of Korea.

The Government of the Democratic People's Republic of Korea long ago declared its decision to halt large-scale military exercises in the Northern part of Korea starting from 1 February and suspend all military exercises during the North-South dialogue period, and repeatedly asked the United States and the South Korean authorities to adopt the same measures. However, the United States and the South Korean authorities have turned a deaf ear to the plea and are clinging obstinately to their reckless course. This is very unpopular.

Last year, the many dialogues held by the two sides in Korea made some headway, thus initially alleviating the tension on the Korean peninsula and bringing new hope of independently and peacefully unifying the country to the Korean people who have suffered national separation for a long time. Therefore, it is supported by all the Korean people and welcomed by all Asian countries. Under these circumstances, it is imperative to strive to strengthen further the understanding and trust between the two sides, promote dialogue, truly relax tension on the Korean peninsula and open up new prospects for the independent and peaceful unification of Korea. The important decision of the Korean Government to halt military exercises at the beginning of the new year is a big step in this direction, demonstrating the sincere hope of the Northern part of Korea of alleviating tension through dialogue and realizing independent and peaceful unification. On the contrary, although the United States and the South Korean authorities ever verbally express their willingness to settle various differences through dialogue, they act differently. This kind of two-faced and insincere behavior will not do any good in promoting dialogue between the sides, but will deepen mistrust and antagonism between them. Therefore, it is only right and natural for impartial world opinion to condemn and oppose it.

The United States and the South Korean authorities should face reality in judging the times and sizing up the situation, and do nothing against the will of the Korean people.

DPRK CONDEMNS 'TEAM SPIRIT-86' EXERCISE

OW120221 Beijing XINHUA Domestic Service in Chinese 1139 GMT 11 Feb 86

[By reporter Gao Haorong]

[Text] Pyongyang, 11 Feb (XINHUA) -- The Korean Government and people strongly condemn the U.S.-South Korean joint military exercise "Team Spirit-86" scheduled to begin on 10 February, pointing out that the large-scale joint military exercise held by the United States and the South Korean authorites in the "International Year of Peace" goes against the will of the people.

In a statement issued on 10 February, a spokesman of the Korean Ministry of Foreign Affairs pointed out that the United States and the South Korean authorities, responding to an appeal for peace with confrontation and the sound of guns, have spoiled the atmosphere of peace and dialogue on the Korean peninsula.

In response to the "Team Spirit-86" joint military exercise, the Supreme Command of the Korean People's Army [KPA] on 10 February issued an order calling on the KPA and the worker-peasant Red Guards to be ready for combat mobilization. Mass organizations, such as the Korean Committee for the Peaceful Reunification of the Fatherland and the National Committee for Supporting Peace, have also issued statements and memorandums, refuting the lies of so-called "defensive nature" and "annual routine" of the United States and the South Korean authorities. In Pyongyang City and various provinces of Korea, the people have held one rally after another to express their utmost indignation over the joint military exercise brazenly held by the United States and the South Korean authorities. The three delegations of the North side to the Korean North-South dialogue also issued a joint statement pointing out that dialogue during the military exercise will not yield any fruit; it also announced that the three North-South talks originally scheduled for January and February will be postponed until after the end of the military exercise.

This year is International Year of Peace. People are very worried about the joint military exercise held by the United States and the South Korean authorities.

DPRK FILM REFLECTS DESIRE FOR REUNIFICATION

OW071333 Beijing XINHUA in English 1305 GMT 7 Feb 86

[Text] Pyongyang, February 7 (XINHUA) -- A new Korean film reflecting the people's desire for reunification of their fatherland has been shown in all cinemas here since the beginning of this year, arousing a strong response and widespread sympathy among the Korean people. The film, entitled "The Spring Snow Is Melting," with its complicated plots, depicts a marriage story of a girl called Yong-a and a boy named Nam-su, two overseas Koreans in Japan who came from different sides of Korea and married at last after overcoming all kinds of hardships and difficulties including opposition to their marriage by the girl's mother and uncle who lives in Seoul. This film, produced by the Korean Film Studio of Arts, is in two parts. It lasts five hours and ends with a scene of a snow mountain's avalanche in the spring sun which symbolizes the bright future of the peaceful reunification of Korea.

Eulogizing the film, Korean chief paper NODONG SINMUN said in a commentary that "The Spring Snow Is Melting," by describing the real life of various figures, reflects the needs and urgency of national unity and the reunification of the fatherland. It is of realistic significance for the Korean people and their compatriots to unite as one for the reunification.

JAPAN TO START SATELLITE SURVEILLANCE IN THAILAND

OW081805 Beijing XINHUA in English 1503 GMT 8 Feb 86

[Text] Bangkok, February 8 (XINHUA) -- Japan is to establish its first overseas satellite surface surveillance station in Thailand this April, local press reported today quoting authoritative sources. The planned surveillance station which is worth 800 million yen (4.21 million U.S. dollars) is to receive information from marine observation satellite and is able to monitor marine information from the Philippines, Indonesia and Eastern India.

This marks the first step of Japan to develop remote sensor network in Southeast Asia which may later be extended to Australia, the report said. Countries like Australia and Indonesia have already shown their interests to share the marine information received by the planned surveillance station. According to the report, Japan is planning to launch marine observation satellite No. 1 in early 1987. The satellite which will travel around the earth and scan its surface one in every 17 days, is able to collect more information than the land satellites now commonly used.

HARD WORK OF LU PING'S GROUP IN HONG KONG CITED

HK060917 Beijing XINHUA Hong Kong Service in Chinese 1327 GMT 4 Feb 86

[Text] Hong Kong, 4 Feb (XINHUA) -- The legal specialists group headed by Lu Ping, secretary general of the Hong Kong and Macao Affairs Office and concurrently deputy secretary general of the Basic Law Drafting Committee, has been in Hong Kong for a month, and will be leaving for the mainland with the planned tasks fulfilled.

Reviewing the Past Month

The specialist group consists of 12 members who arrived in Hong Kong on 4 January. Most of them are the cream of science and law circles, famous in China. The majority are over 50, and some are well advanced in age. They made light of the distance of thousands of miles from Beijing to Hong Kong. Without a proper rest, they started their investigation and research day and night, occupying themselves in a series of activities in listening to the suggestions of the Hong Kong people.

Over the past month, they have had contact with people of various strata in Hong Kong, and have held more than 100 discussion meetings of various sizes. On average, their activities involved from three to four items per day. In one day, nine activities were arranged for them from morning until night. The specialist group has successively visited 1,100 people, including NPC delegates in Hong Kong; CPPCC members; members of the Basic Law Drafting and Consultative Committees; personages of political, industrial and commercial, and banking and trade circles; navigation, labor, and education circles; press, movie and television circles; legal, religious, and women's circles; social organizations; professional people; and government workers. This means that the specialist group has come into contact with 1 in every 5,000 Hong Kong people and listened to their suggestions. Such a figure and a proportion cannot be called large, but it is remarkable considering the short time in which all this was accomplished. The specialist group has also visited government organs, courts of justice, the stock exchange, the gold and silver exchange, factories, dockyards, schools, cultural centers, shopping centers, the race course, and temples, to see for themselves how society operates in Hong Kong and conditions in other respects.

Wherever they went, the specialist group met with a warm reception and welcome from people of all strata. Chu Tsu-han, chairman of the Chinese Chamber of Commerce and Industry, said in his welcoming speech: "Since the specialist group arrived in Hong Kong from Beijing, it has begun a series of activities, contacted personages of various circles, and learned about the environment of Hong Kong on the spot as reference material for the drafting of the basic law. This has proved that the Chinese authorities attach importance to local public opinion, and the Hong Kong people are happy about it." Huang Yun-tian, vice chairman of the Buddhist Association, admired the specialist group's spirit of doing solid work, penetrating all strata seeking advice. He said: "The fact of the specialists coming to Hong Kong to make on-the-spot investigations to gain a profound understanding of the situation has shown that the Chinese authorities have adopted very meticulous and serious measures in carrying out this unprecedentedly arduous work, drawing up the basic law for the future government of Hong Kong in line with the tentative concept of one country, two systems."

Common Concern for the Basic Law

Since the formal initialing of the Sino-British joint declaration on the question of Hong Kong, the 5 million Hong Kong people have more and more come to understand that the fate of the Hong Kong people is closely related to the future of Hong Kong, as well as to China's future.

The Sino-British joint declaration has already sketched the future Hong Kong, and the more specific basic law will draw a blueprint for the Hong Kong special administrative region after 1997. Therefore, the basic law has naturally become the focus of common concern for the 5 million Hong Kong compatriots.

Over the past month, the activities of Lu Ping and the specialist group have almost become daily important news items in various Hong Kong papers and radio and TV stations. Through the media, Lu Ping, as representative of the specialist group, has become a figure known to everybody in Hong Kong. It is precisely out of such common concern for the basic law that the people of all circles in Hong Kong have proposed many valuable suggestions to the specialist group through face-to-face contacts, written reports, and letters. Suggestions were proposed on such issues as the structure of the basic law, the relationship between the basic law and the Constitution, the link between the reform of the Hong Kong government system and the basic law, the selection of the top government officials of the Hong Kong special administrative region, the relationship between the future administrative organs and legislative organs, the relationship between the central government and the special administration regional government, the rights and obligations of citizens, and right to interpret and to revise the basic law. One of the Hong Kong members of the Basic Law Drafting Committee, known as "the most enthusiastic," has himself drafted a program for the basic law, which he presented to the specialist group for their reference. In addition, the specialist group has received many written reports on the drafting of the basic law by many organizations and professional people.

Of course, during this process, different social strata and people of different political views have aired their viewpoints and worries, including such questions as: Will the basic law be affected by the "four cardinal principles"? Will capitalist social operation of Hong Kong be impeded? If the reform of the Hong Kong government system fails to fall in line with the basic law, will it affect the stability of Hong Kong? Will "Hong Kong people ruling Hong Kong" eventually become "Beijing people ruling Hong Kong"? Will there be legal guarantees after the basic law is drawn up? Will it be interfered with by the "rule of men" and be arbitrarily explained and revised? Lu Ping and the specialist group have listened to these questions in earnest, and discussed them with people in a harmonious atmosphere.

A Speech of Sincere Words and Earnest Wishes

In view of past experiences, quite a number of Hong Kong people have shown their doubts and worries. This is entirely understandable. However, the times are marching on, and some of their doubts and worries are really unnecessary.

Take the issue of "Hong Kong people ruling Hong Kong," which has been most talked about in the media. Will the formulation "Hong Kong people ruling Hong Kong" be dropped from now on? Will "Hong Kong people ruling Hong Kong" eventually become "Beijing people ruling Hong Kong"? Lu Ping and the specialist group have repeatedly answered these questions, the most representative of which is a speech by Lu Ping to industrial and commercial personages at the Chinese General Chamber of Commerce on 11 January.

In his speech, apart from sincerely hoping the personages of industrial and commercial circles would air their views on the future political system of Hong Kong, the administrative organs, the legislative organs, government officials, and elections, he repeatedly touched upon the issue of "Hong Kong people ruling Hong Kong."

Lu Ping said: "Some people say the formulation of 'Hong Kong people ruling Hong Kong' will no longer be proposed. This is wrong, and a misunderstanding. State policy is quite clear about it, Hong Kong will exercise a high level of autonomy in the future. Hong Kong people will rule Hong Kong as a matter of course. Beijing people ruling Hong Kong is a complete impossibility, and it is unnecessary. The principle of Hong Kong people ruling Hong Kong will remain unchanged, and the spirit of the joint declaration will remain unchanged from beginning to end."

And he said: "Speaking of the anxiety concerning our interference in Hong Kong's affairs, it is neither possible nor necessary."

Lu Ping also said: "Hong Kong pursues capitalism, and the mainland socialism. What we are familiar with is the socialist system, but not capitalist matters. So it can only be Hong Kong people ruling Hong Kong. It is unnecessary to worry about it; it is misunderstanding us, failing to understand our policy."

Here, on three occasions, Lu Ping said "unnecessary," and the personages of the industrial and commercial circles present kept saying that Lu Ping was sincere, and that it was a speech of sincere words and earnest wishes, and an enlightenment to them.

Practice is the best test for judging truth. People can see from the words and actions of the specialist group in Hong Kong that the Basic Law Drafting Committee, which has shouldered a historical mission, is certainly working hard on the basis of pooling the wisdom of the masses, and that it will put the spirit of "Hong Kong people ruling Hong Kong" into the basic law in rigorous legal terms, and that other problems will also be appropriately solved.

SIHANOUK HOLDS SPRING FESTIVAL CELEBRATION

OW111648 Beijing XINHUA in English 1633 GMT 11 Feb 86

[Text] Beijing, February 11 (XINHUA) -- Officials of the Chinese Foreign Ministry and other departments gathered with Samdech Norodom Sihanouk, president of Democratic Kampuchea, Madame Sihanouk and other Kampuchean friends here this evening to celebrate the traditional Spring Festival. The get-together took place at the Beijing residence of President Sihanouk.

Attending were Chinese Vice-Foreign Minister Liu Shuqing, leading members of the Chinese People's Institute of Foreign Affairs, the Ministry of Culture and the Beijing Municipality. Also present were diplomatic envoys of Democratic Kampuchea and some ASEAN member states. Performances were given by Chinese artists at the get-together.

FURTHER REPORTAGE ON PHILIPPINE ELECTION

Senator Lugar on 'Manipulation'

OW081908 Beijing XINHUA in English 1901 GMT 8 Feb 86

[Text] Manila, February 8 (XINHUA) -- Richard Lugar, the chief of the U.S. observers team monitoring the Philippine presidential election, today accused the Philippine Election Commission of "managing" the election results. In an interview shortly after his arrival in Cebu, Richard Lugar, who is chairman of the U.S. Senate Foreign Relations Committee, bewailed the slow counting of votes by the Commission on Election (Comelec). "It appears to me that there was management of count and that only 10 percent of the election results were available this morning," he said. "That is very disturbing."

In a separate intreview in the chapter office in Cebu of the National Movement for Free Elections (Namfrel), Lugar bewailed the failure of many voters to see their names in the list of registered voters. According to Namfrel chairman Jose Concepcion, 10 percent of Metro Manila voters or about 400,000 voters were disenfranchised. This, he said, would "greatly affect results of the elections." "I am of the impression that the more we travel around the country there was a gross problem with regard to the voting list," Lugar said. "We keep hearing of this bizarre situation of intimidation of voters in some parts of the country. It is certainly not democratic," he said. He said if there was a stall that went on for hours, it just simply defied any other explanations, other than gross manipulation.

Beijing Tagalog Report

HK090625 Beijing International Service in Tagalog 1130 GMT 8 Feb 86

[Text] XINHUA NEWS AGENCY reports from Manila: Preliminary unofficial election returns from 140 out of 65,797 precincts show reelectionist President Ferdinand Marcos leading his opponent 3 to 1. However, the final official tally by the Commission on Elections will only be known on Monday. This election has been marked by widespread killings, vote buying, and harassment by armed goons. Nonetheless, there was a heavier turnout of voters than during the 1984 parliamentary elections.

Independent poll watchers said that harassment and intimidation in many places seriously infringed on the votes of the 26 million Filipinos. Not less than 35 persons were killed in election violence and most of the victims were opposition supporters. In Makati, goons entered precincts and mauled poll watchers, according to Jose Concepcion, chairman of the National Citizens Movement for Free Elections [Namfrel]. Priests and nuns held onto the ballot boxes so that they would not be snatched. Namfrel charged elections officials with fraud. According to a Namfrel spokesman, supposed indelible ink was found to be easy to erase.

Marcos voted in his hometown in Batac, Ilocos Norte, while Mrs Aquino cast her vote in San Miguel, Tarlac. Meanwhile, opposition vice presidential candidate Salvador Laurel voted in Tanawan, Batangas. The PHILIPPINE NEWS AGENCY quoted Laurel as saying that he would have no choice but to accept the people's choice if elected vice president to President Marcos. Laurel made this statement amid reporters from the KBL [Kilusang Bagong Lipunan] and United Nationalist Democratic Organization camps that the Marcos-Laurel combination might triumph.

In Washington, U.S. President Ronald Reagan said that whoever is elected president in the Philippines, the United States will strive to maintain its bases in the country. Reagan added that he hoped that U.S.-Philippine friendship will be preserved regardless of the Filipino people's choice for president.

Marcos, Aquino Speak

OW111518 Beijing XINHUA in English 1504 GMT 11 Feb 86

[Text] Manila, February 11 (XINHUA) -- President Marcos said here today that he was prepared to invite Corazon Aquino and other oppositionists to a council of state he is to organize, while Mrs. Aquino announced today the election was a fraud and she had actually won.

Speaking in a brief press conference at the presidential palace this afternoon, Marcos said, "I intend to organize a council of state to be composed of members of the political groups, including majority and opposition parties, former foreign ministers, presidents and candidates for president." He said that the council would be the highest advisory body in the government. Mrs. Aquino, Marcos said, could introduce whatever measures she thinks are needed to carry on the government's programs and if that is good to adopt then he will adopt it.

At the same time, the president sought to allay fears of post-election violence, saying that his administration is trying to keep away from a situation where there will be confrontation. Marcos said that he will abide by the decision taken by the National Assembly regarding their declaration of an election victory. Corazon Aquino issued a statement to the press here today especially for her "foreign friends." She accused what she called the "most shameful electoral fraud." She also noted that her campaign van was shot and a provincial campaign chairman and a campaign worker were killed. "The counting was slowed down and the government reached again into its seemingly inexhaustible bag of tricks for yet another means to cheat the people of their victory." Corazon declared. She asked Marcos to concede now, saying "so that I can begin the process of reconciliation in a climate of amity, unity and peace."

Canvassing Beings

OW111912 Beijing XINHUA in English 1845 GMT 11 Feb 86

[Text] Manila, February 11 (XINHUA) -- The Philippine National Assembly began the official canvass of election results tonight after ironing out the kinks in the canvassing procedures. The assembly convened this afternoon for the cavass but the counting could not start until parliament members from the ruling and the opposition reached an agreement on the canvassing procedures after a nearly five-hour debate.

The boxes containing certificates of canvass were opened in front of a bipartisan board of tellers and the whole assembly one by one. The ten-member board of tellers was created yesterday to assist the speaker in the tabulation. Up to 9:00 p.m. this evening, the assembly has received 103 certificates of election returns out of a total of 137, the secretary general of the National Assembly announced. The assembly has set aside 15 session days for the tabulation of the certificates. The final results of the tabulation will be the basis proclaiming the winners in the presidential and vice-presidential contest. The National Assembly building was placed under heavy guard as thousands of supporters of Corazon Aquino were anxiously waiting outside for the results.

THAI-JAPANESE CONCERN FOR SOVIET BASES IN SRV

OW111205 Beijing XINHUA in English 0901 GMT 11 Feb 86

[Text] Bangkok, February 11 (XINHUA) -- Thailand and Japan share the view that the Soviet military bases at Vietnam's Da Nang and Cam Ranh, besides posing a threat to Southeast Asia, affect Japan and the rest of the world as well. Asa Sarasin, deputy foreign minister, made this remark here yesterday after his meeting with visiting Japanese Deputy Foreign Minister Shinichi Yanai. He said Thailand and Japan had expressed worries over the Soviet military installations in Vietnam. Yanai briefed Asa on the recent Japanese-Soviet foreign ministers' meeting in Tokyo. Thailand and Japan agreed that Japanese and Soviet leaders should keep on holding meetings, Asa said.

Referring to the Kampuchean issue, Asa said both countries demanded that Vietnam withdraw its troops from Kampuchea and let the Kampucheans decide their own destiny. Asa said the major problem that affects the development of Thailand's relations with Japan and the United States is the problem of Thai exports of textiles, canned food, steel tubes and rice to the two countries. He said Japan attaches great importance to the Association of Southeast Asian Nations (ASEAN) and is making efforts to promote cooperation with the private enterprises and governments of ASEAN countries.

CHINA-NEPAL FRIENDSHIP HIGHWAY REPAIRED

OW041251 Beijing XINHUA Domestic Service in Chinese 1155 GMT 29 Dec 85

[Summary] Katmandu, 28 Dec (XINHUA) -- Chinese and Nepalese construction workers held a rally at Fuerping today on the Chinese-Nepalese border to celebrate the completion and commissioning of the Balabis-Kedali section of the China-Nepal Friendship Highway. The highway, 114.479 kilometers in length, is the only roadway linking Katmandu with the Nepalese-Chinese border. With Chinese assistance, the highway opened to traffic in 1967. However, the Balabis-Kedali section was washed out by floods in 1981. According to an agreement reached between the Chinese and Nepalese Governments, China was to send a road construction team from Shandong Province to repair this section of the friendship highway gratuitously. Through close cooperation between the Chinese and Nepalese technicians and workers, the damaged roadway and bridges were repaired and rebuilt.

AFGHAN GUERRILLAS PREPARE FOR PROLONGED WAR

OW101348 Beijing XINHUA in English 1326 GMT 10 Feb 86

[Text] Islamabad, February 10 (XINHUA) -- Sixty-seven Afghan civilians were killed or wounded last month in Russian bombardment and there is no indication that the Soviet Union is willing to pull out its troops from Afghanistan, although it is a must. This is said today by Gulbuddin Hikmatyar, president of the Afghan Islamic Party, in an interview with XINHUA. He said Soviet MIG-25s have resorted to frequent night raids on the Afghan mujahidin (holy-war fighters) caravans, causing heavy casualties.

Asked whether the Afghan resistence forces can sustain a prolonged war against the strong enemy, Hikmatyar said: "The resistance, far from subsiding, is being intensified. The Afghan mujahidin are prepared for a long war till their final victory." "They will never lay down their weapons before they win freedom of the country," he added. Hikmatyar contradicted the notion that Soviet occupation of Afghanistan has been a fait accompli. "The Russian troops," he said, "control a limited area of no more than ten percent of Afghanistan. Even their control of big cities is being weakened." He said that guerrilla bases are spreading all over the country and much stronger than before. It is not possible for the Russians to crush them. "Last year, we carried out big operations against almost all Russian military bases and airports in Afghanistan," the guerrilla leader said.

Speaking on the eventual solution to the Afghan problem, Hikmatyar said the key to the settlement of the issue is no other than the immediate withdrawal of Soviet troops from Afghanistan. Commenting on the Geneva indirect talks on the Afghan issue between Islamabad and Kabul, of which the sixth round of negotiation is scheduled to be held, he said the two warring parties in Afghanistan are the Soviet Union and the Afghan mujahidin. "Without the participation of the two sides," he said, "it is very difficult, if not absolutely impossible, to make any substantial progress in seeking a peaceful solution to the Afghan question."

With regard to the difficulties facing the mujahidin, he said: "The Afghan nation has paid dearly for the restoration of its independence. One million Afghans have been killed and 4.5 million more reduced to refugees in foreign lands since the Russian invasion six years ago." "Yet the Afghan mujahidin are still fighting in high morale," he emphasized.

REPORT ON SATELLITE LAUNCH AID TO SWEDEN

OW090234 Beijing XINHUA Domestic Service in Chinese 0854 GMT 7 Feb 86

[Beijing XINHUA Domestic Service in Chinese at 1423 GMT on 7 February transmits a service message: "Attention: Please postpone the use of the subitem No 44 'International News Briefs' transmitted on 7 February and entitled 'China Will Help Sweden Launch a Post-Telecommunications Satellite.' 7 February, XINHUA."]

[Text] Stockholm, 6 Feb (XINHUA) -- According to a Swedish press report on 6 February, China will help Sweden launch a Swedish-made post and telecommunications satellite.

(Klas Hongede), deputy general manager of the Swedish Space Technological Development Company, said that Sweden and China have reached an agreement of intent on using a Chinese rocket to launch a Swedish post and telecommunications satellite. According to this agreement, the Swedish Space Technological Development Company may sign an agreement with China on launching a post and telecommunications satellite within a year. The deputy general manager has also told the press that the Chinese people's proficiency in space technology is quite impressive.

FRANCE'S MITTERRAND REAFFIRMS NUCLEAR POLICY

OW090930 Beijing XINHUA in English 0915 GMT 9 Feb 86

[Text] Paris, February 8 (XINHUA) -- French President Francois Mitterrand today reaffirmed the independence of France's nuclear deterrent, indicating that France had no intention to share its defense system with its neighboring countries. At a conference on defense issues organized by the "Here and Now" movement, Mitterrand said that France had neither the means of having offensive weapons nor the will of acting on the offensive, as he referred to the existence of the French nuclear arsenal.

In terms of nuclear arms, Mitterrand said that he did not believe in the bellicose intentions of the Soviets but people were obliged to argue about the number of nuclear arms that the Soviets possessed. The president said that the Soviet Union and the United States each possessed about 10,000 nuclear warheads and that France had 150, which were sufficient for defense and for prevention of an eventual aggression. Mitterrand denied that France intended to extend its nuclear deterrent to neighboring countries including Federal Germany. He also made it clear that Federal Germany had shown no apparent desire to exchange United States nuclear backing for French protection.

ITALIAN PRIME MINISTER COMMENTS ON DISARMAMENT

OW111139 Beijing XINHUA in English 0729 GMT 11 Feb 86

[Text] Rome, February 10 (XINHUA) -- Italian Prime Minister Bettino Craxi today called for continued efforts to make progress in U.S.-Soviet disarmament talks in Geneva. He said: Wherever and whenever possible, new efforts should be made to narrow the gap between the standpoints of the two sides even on those issues with great differences.

He made these remarks when he exchanged views at a meeting with Paul Nitze, U.S. President Ronald Reagan's special adviser on arms control, on the Geneva nuclear disarmament talks, the latest arms reduction proposal by Soviet leader Mihhail Gorbachev and U.S. President Ronald Reagan's personal letter to Craxi concerning the Soviet proposal, according to a government bulletin issued after the meeting. During the meeting, Nitze stressed the U.S. stand for arms reduction step by step through a balanced, effective and verifiable agreement, the bulletin said. Nitze also met Italian Foreign Minister Giulio Andreotti and Minister of Defense Giovanni Spadolini. He told reporters that his mission is to continue close consultations with the West European allies. Italy is the first leg of Nitze's West European trip. He is leaving for the Netherlands later today. Nitze will also visit Belgium, France, Federal Germany and Britain.

TRADE UNION DELEGATION CONCLUDES GDR VISIT

OW110820 Beijing XINHUA in English 0654 GMT 11 Feb 86

[Text] Berlin, February 10 (XINHUA) -- A Chinese trade union delegation left Democratic Germany today after a two-week visit which convinced them that bilateral union relations should be furthered for the benefit of socialist construction in both countries and the defence of world peace.

The Chinese delegation arrived here on January 26 and was headed by Chen Bingquan, vice-president of the All-China Federation of Trade Unions. The delegation visited Berlin, Dresden and some other GDR cities where they toured factories, farms, cultural facilities and welfare establishments and made extensive contacts with workers and host trade unionists at all levels. Shortly before their departure here today for Hungary, Chairman of the Free German Trade Union Federation Harry Tisch met with the group once again. Both sides agreed that the visit was "successful" and "fruitful", which marked a new phase of relationship between the two countries' unions and workers and further development of this tie would be helpful to building socialism in both countries as well as to safeguarding world peace.

HUNGARY'S RATKAI OPENS PRC PICTURE EXHIBITION

OW081108 Beijing XINHUA in English 1040 GMT 8 Feb 86

[Text] Budapest, February 7 (XINHUA) -- Hundreds of Hungarians, braving a bitter cold, visited an exhibition of Chinese Spring Festival pictures in the Museum of Hungarian Workers Movement here today. Visitors looked at the exhibits with great interest. A visitor told XINHUA that the exhibition "reflects the life of the Chinese people and their hope for a better future."

At the opening ceremony, Ferenc Ratkai, deputy minister of cultural and national education of Hungary, said that the Hungarian-Chinese cultural cooperation has entered a new period. "Our common task is to promote our cultural exchanges and strengthen understanding and friendship between our peoples," he added. Chinese ambassador to Hungary also attended the ceremony.

CSSR NEWS AGENCY CONDEMNS U.S.-S. KOREAN EXERCISE

OW120851 Beijing XINHUA in English 0823 GMT 12 Feb 86

[Text] Prague, February 10 (XINHUA) -- The extensive joint U.S.-South Korean military exercises, code-named Team Spirit-86, are a provocation jeopardizing peace in the Asian countries and the whole world, said a statement issued by the Czechoslovak news Agency CTK.

CTK said the Czechoslovak Government is rather disturbed by the maneuvers Team Spirit-86 which began in South Korea today in violation of mankind's longed-for improvement of the international situation, detente and disarmament. The statement stressed that the government supported the just demands of the Democratic People's Republic of Korea, including its proposal for the withdrawal of all nuclear weapons in South Korea and for turning the peninsula into a nuclear-free zone. An earlier announcement by the U.S.-South Korean command said the exercises, the 11th in the annual series, would involve about 200,000 military personnel, roughly 70 percent being South Koreans and 30 percent Americans. The announcement said the maneuvers are to continue until late April.

LIBERIAN VICE PRESIDENT RECEIVES CULTURAL GROUP

OW101944 Beijing XINHUA in English 1914 GMT 10 Feb 86

[Text] Monrovia, February 10 (XINHUA) -- Vice President of Liberia Harry Moniba received and had cordial and friendly talks here today with a cultural delegation of the Chinese Government headed by Lu Zhixian, vice minister of culture. Moniba noted that fine cooperation has been going on in many fields between Liberia and China, and the delegation's visit indicates the desire of the two peoples to further understand each other. He believed that the cultural exchange will not only promote mutual respect and understanding between the two countries but also benefit world peace. The delegation arrived here from Nigeria on February 8 for a five-day visit.

The Chinese vice minister has held talks with Director-General of the Government Bureau of Culture and Tourism Jallah Kamara, Minister of Information Carlton Karpeh and other government officials. Both sides expressed the hope to strengthen the cultural relations between the two countries. The delegation has also toured some cultural and historic sites. This is the first group of Chinese cultural envoys to visit the West African country since diplomatic relations between China and Liberia were established in 1977.

LAGOS EXHIBITION MARKS PRC-NIGERIAN RELATIONS

OW120743 Beijing XINHUA in English 0643 GMT 12 Feb 86

[Text] Lagos, February 11 (XINHUA) -- A photo exhibition was opened here today at Nigeria's National Museum to mark the 15th anniversary of the establishment of Nigerian-Chinese diplomatic relations. Addressing the opening ceremony, Nigerian Minister of Information and Culture Lt Col A.S.I. Ukpo described the Nigerian-Chinese relations as "very excellent" and said that the present military administration "attaches very great importance to its relations with China."

He said that although both China and Nigeria technically belong to the developing countries, "China has made tremendous strides in the fields of agriculture, industries and water resources by merely using basic tools and materials." Nigeria will be only too willing to tap from the enormous expertise and wealth of experience of the Chinese people imbued with the spirit of self-discipline, self-reliance, industry and patriotism, he said.

Also speaking at the opening ceremony, Chinese Ambassador Wang Yushen said that the two countries had had over 20 times of exchange of visits above ministerial level in the past 15 years. "These visits have greatly promoted mutual understanding between our two peoples and strengthened the friendly relations and cooperation between our two countries," he said. About 120 photos are on display at the exhibition. The first part is the record of the exchange of visits between senior leaders of the two countries and bilateral economic and cultural cooperation. The second part reflects the way of life of the Chinese people.

CUBAN COMMUNIST PARTY CONCLUDES CONGRESS

OW081858 Beijing XINHUA in English 1836 GMT 8 Feb 86

[Text] Havana, February 7 (XINHUA) -- The Cuban Communist Party (CCP) ended its third national congress here today after reelecting the Castro brothers into the top party leadership and including more economic specialists in the Politburo.

At the end of the 4-day congress, Fidel Castro and his brother Raul Castro were elected as first and second party secretaries for a third consecutive term of office. Sources said that more young and middle-aged Cubans and economic specialists were elected into the new Politburo and Central Committee. The proportion of blacks and women in these organizations was also increased.

Delegates to the congress approved an economic and social development plan for 1986-1990, which is aimed at expanding exports, developing more substitutes for imports, and practicing economy with energy saving in particular. To ensure implementation of the plan, the congress adopted a resolution on improving economic leadership and planning systems. The resolution points out that working people as a whole should be given a greater say in economic planning and its implementation and that financial resources should be rationally used. It also calls for reforming the price systems and linking wages to the result of the work of the laborers. The congress agreed on a number of revisions to the party's program and Constitution, which will be finalized at the second stage of the congress due to open toward the end of this year.

GUYANA-PRC SOCIETY CELEBRATES SPRING FESTIVAL

OW090254 Beijing XINHUA in English 0239 GMT 9 Feb 86

[Text] Georgetown, February 8 (XINHUA) -- The Guyana-China Friendship Society and the Chinese Association of Guyana jointly held a grand reception here this evening to celebrate the Chinese traditional Spring Festival. Guyanese President Desmond Hoyte, Prime Minister Hamilton Green, Deputy Leader and General Secretary of the People's National Congress R. Chandisingh and other officials attended the reception.

Chinese ambassador to Guyana Ni Zhengjian and other Chinese diplomats also attended the reception. President of the Guyana-China Friendship Society Wilfred Lee and Ambassador Ni spoke at the reception. Over two hundred people attended the reception.

'BRAVE STEP' IN 1985 REFORMS PRAISED, ENCOURAGED

HK12074 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 12 Feb 86 p 2

[Commentator's article: "A Brave Step"]

[Text] As an old Chinese saying goes: "In doing anything, it is difficult to begin." There is also a Western saying: "A good beginning means half done." When we review the process of economic structural reform in 1985 at the beginning of spring 1986, we, in particular, deeply understand the meaning of these two sayings. Through 1 year of efforts, we have already fulfilled the task of "ensuring the victory of the initial battle," a task put forth at the beginning of last year. In the first year of all-round reform, we took a fairly great step forward and scored an achievement better than we had expected. We have already made a good beginning. In Comrade Deng Xiaoping's words, last year we took "a brave step" on the path of our reform.

In carrying out reform, it is always necessary to overcome difficulties and to undergo hardship and risks. This is particularly true in China, a big country with a complicated situation. In carrying out our economic structural reform, we have to explore a path building socialism with Chinese characteristics. In whatever sense, this is a brand new undertaking. On the one hand, we have no successful precedents to which we can refer. On the other hand, the force of habit from the old system is still very strong. For several decades, our economic structure spun in an old orbit, but now we want to switch it to a new pattern. Undoubtedly, there will be extremely great difficulties and risks. In order to enact reform abolishing the old and establishing the new system, we cannot help but pay a certain price. We even must endure a certain degree of social turbulence. This turbulence is the jolting we must undergo in our progress and may cause dizziness for some people, but it is by no means the turmoil from which we have suffered bitterly. Nevertheless, this turbulence is a grim test of our economic and mental capacity for endurance. In the economic sphere, some problems have emerged in the process of reform; in the ideological sphere, there have indeed been some different views. It is the people's will to implement reform. But we cannot say that there are no differences in views or even no misgivings or objections regarding the actual measures and steps of reform, the estimate of the degree of reform's success and the part of reform directly involving some people's personal interests. What we should rejoice in is that in spite of the difficulties and risks we have encountered, we have not stopped our progress and have continued to forge ahead conscientiously and prudently. In many important aspects of our urban and rural economic systems, including the sensitive links of our price and wage systems and the system of agricultural and sideline products purchases, we have taken a brave step. This step was of far-reaching significance. Some foreign commentators also said that this was a "quiet revolution," which "revitalized China."

The facts of our successes have given us a convincing assessment of our courage in carrying out reform. Our rural reform began relatively early and people have a relatively clear view about it; therefore, there is no need to say much about it. In our urban economic structure, ownership structure has tended to diversify. In this structure, socialist public ownership naturally occupies a dominant position. Our enterprises have been invigorated, and we have effectively given play to the regulatory role of the market mechanism. We have greatly strengthened economic ties at home and abroad and begun to switch from the direct control management method to the indirect control management method. We have improved our people's living standards. A brand new situation has also emerged in the spheres of people's thoughts, views and lifestyles. We have smoothed our rough and bumpy path of progress and gradually reduced the complaints which, for a time were quite loud.

Facts have taught people to realize that reform is the only way out for us and that we have the courage and ability to follow this path of reform. The great and outstanding insight of the CPC Central Committee and the confidence and will of people all over our country were fully reflected in reforms last year. They are the basic guarantees for the sure victory of our cause.

"A principle for civil and military rule is that there should alternately be exertion and relaxation." Having taken the first brave step, this year the major task of economic structural reform is to do a good job in "consolidation, assimilation, supplementation, and improvement" on the basis of reform successes last year. At the same time, we should intensify our investigation and study and reform experiments in order to make good preparations for taking even more important steps of reform next year and in the year following it. Of course, this does not mean that our reform tasks are lighter now and we will stop pushing the reform forward.

After exerting ourselves in fighting one battle, we will consolidate our position in a planned manner and improve the economic and social results of the reform we carried out last year. This precisely means that we are to expand the achievements of the battle. We should satisfactorily solve some outstanding problems in order to remove the defects and maintain the advantages. In regard to the fact that we only adopted reform measures in major spheres at that time, we should carefully do our work in other spheres in order to have a complete set of measures for our reform. Through the above-mentioned work, our reform achievements will be more stable and desirable. These are all arduous and painstaking aspects of work, to which we should attach great importance and vigorously and satisfactorily accomplish.

In short, reform continues to be the first priority task of this year. All other aspects of our work should be conducive to reform and ensure the smooth progress of reform. At the very beginning of this year, with extremely great resolution and prompt measures, the CPC Central Committee grasped the work of setting our party style right and fighting against corruption inside our party and government. This conformed to the common aspiration of our people and party. One of the reasons for this was that these practices of corruption and unhealthy trends interfered with our great reform undertaking and undermined our four modernizations. Only by waging a resolute and sustained struggle against them can we ensure a stable social and political environment for our undertaking in socialist reform, a strong leading force giving play to the initiative of the vast number of people, and a situation where upper and lower levels unite as one and strive with one heart and one mind. Fighting corruption a correcting unhealthy practices by no means signifies a relaxation in reform nor the relinquishing of our reform. Precisely to the contrary, they are aimed at clearing obstacles to reform in order to further deepen it. The reform and rectification of our party style supplement each other. They have a common goal, namely, to rally people together to carry out the struggle and renew our efforts in order to build our country into a powerful modern socialist country with a high degree of civilization and democracy.

Without the "brave step" last year, there could not have been such a fine situation this year; if we stop here, we will obtain lesser results or fail to maintain this step. All our work this year is, after all, to be carried out around the aim of taking a new step in reform. Here we should display the persevering spirit of the foolish old man. If we have this spirit, we will be able to continue forging at a rapid pace along the road of reform. On the basis of last year's work, we can foresee that through this year's "consolidation, assimilation, supplementation, and improvement," we will continue reforms with bravery and finish the arduous, glorious, and great process of reform.

'MOMENTUM OF THE YEAR OF THE TIGER' LAUDED

HK120513 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 9 Feb 86 p 2

[Article by Li Demin: "The Momentum of the Year of the Tiger"]

[Text] The fireworks of yesterday evening provided a send-off for the hard-working and persevering golden ox, and the spring tide this morning ushered in the powerful and majestic tiger. The people of the whole country are celebrating the Spring Festival of the Year of the Tiger.

To celebrate the festival, families have been reunited and friends and relatives have come together to drink and talk to their hearts' content. Once they have started talking, they will talk about everything: things which happened yesterday, things which happen today, and things which will happen tomorrow. They will talk about family affairs, state affairs, and world affairs. Thousands upon thousands of families have become thousands upon thousands of forums. Since this year is the Year of the Tiger, people will naturally talk about tigers. Although tigers sometimes hurt people, people still show a certain respect for them and even admire them in some ways. Are the fear-inspiring prowess of a tiger, the vigor of a tiger, the firm strides of a tiger, the leaps of a tiger, ministers brave like tigers, generals brave like tigers, tiger cubs, and so on not commendatory terms? The reason is that the "king of the mountain" has a bold and powerful character and demeanor, worthy of emulation by human beings. Since ancient times, many artists have become world-famous for their skill in drawing tigers. However, "trying to draw a tiger and ending up with the likeness of a dog" is also a satiric saying.

In discussing tigers today, we will naturally ponder the on-going struggle to rectify party style; people have indeed seen a momentum with the "vigor of a tiger" in the Year of the Tiger. The issue of party style has recently become a topic about which people frequently talk. The Chinese people are worthy of being masters of the socialist motherland. We are not only concerned about food, clothing, and a peaceful life, but also very much concerned about the health of the body of the party and the growth and prosperity of the party cause. We have closely tied our destiny to that of the party and the state. Not long ago, the masses of the people were angry to see that some party members, even party members with several decades of revolutionary history and holding senior positions, had forgotten the party's goals, flung away the party's traditions, engaged in unhealthy practices, and abused their power to seek private gains. They were even more worried to see that some party members, or their relatives, had colluded with the dregs of society in profiteering, swindling, smuggling, and other evil activities. How can this be allowed to continue? However, people have recently sensed a healthier atmosphere prevailing over the unhealthy one, and those who wantonly committed crimes have begun to restrain themselves. There are of course some reasons for this. Several days after New Year's Day 1986, the CPC Central Committee Secretariat held meetings of central organ cadres and gave the mobilization order to rectify party style. Shortly before and after these meetings, the central authorities issued a series of documents on perfecting rules and regulations and on strengthening discipline Both the central and local authorities are investigating and dealing with major and important cases and some people with strong "backing" [laitou 0171 7333] are being punished according to party and administrative discipline and state laws. This is most gratifying to the people and has increased the joyful atmosphere of the Spring Festival.

The CPC is determined and has effective ways to eliminate these evils for the people. In making revolution in the past, the party, like a tiger from the mountain, led the people in defeating the enemies and in building our country today. It will not be softhearted toward lawless elements and corruption within the party. In 1952, Tiapjin put Liu Qingshan and Zhang Zishan to death according to law. Several years ago, Guangdong put Wang Zhong and Ye Makan to death according to law. All this has shown that anyone who does evil things under the people's democratic dictatorship are playing the dangerous game of stroking a tiger's beard. Of course, even a tiger sometimes nods. Over a period of time, we did not grasp the work of stopping unhealthy trends firmly enough, and did not make sufficient efforts to crack down on economic and other criminals. Now, things are different. The party Central Committee is determined to firmly and solidly grasp work in this aspect. As a central leading comrade put it: "Once work is grasped firmly, there will be very good prospects."

COMMENTATOR'S ARTICLE ADDRESSES TV SMUGGLING CASE

HK121054 Beijing RENMIN RIBAO in Chinese 7 Feb 86 p 1

[Commentator's article: "What Does the 'Guangyu Company Smuggling Case' Show?"]

[Text] This newspaper today publishes news about the investigation and handling of persons involved in smuggling by the Guangyu Industrial Trade General Company under the Ministry of Astronautics, with the joint efforts of the CPC Central Discipline Inspection Commission and departments concerned of the Supreme People's Procuratorate and the General Administration of Customs. This is a serious smuggling case by some companies under the charge of some state organs, who worked hand in glove with each other to speculate, profiteer, buy and resell imported television sets by lots and fraudulently purchase foreign exchange at higher exchange rates. It is the first important smuggling case to be investigated and handled since the conference for cadres of central organs.

The main persons involved in this case are cadres of state organs, most of whom are Communist Party members in leading posts. The case took place in mid-December 1984, after central document No 27 had been issued on 3 December 1984. This document explicitly banned workers of state organs from going into business. What the central authorities have said is still ringing in our ears and the ink on the central documents is hardly dry. But the persons concerned in the Ministry of Astronautics, and other units, who persisted in their old ways, violated relevant stipulations and became involved in this serious case of violating discipline and the law, thus obstructing economic reform, opening up, and the construction of the modernizations in our country. This is a very profound lesson.

What has made them so bold? To put it bluntly, they have done this for personal gain. Engaged in this illegal deal, the Guangyu Company thought it could reap a net profit of more than 100 million yuan. Reida Company and Haima Company resold their expired licenses to obtain their share of 9 million yuan in profits. The Shijiazhuang branch of the Bank of China, violating central bank regulations governing short-term loans in foreign exchange, made an illegal loan for a commission of 15 million yuan. In short, these people have been doing everything at their disposal to pursue personal gains, and they would go to any extreme. It is money that has maddened some cadres, including some leading cadres. They have forgotten all about the party purpose of serving the people heart and soul, the solemn party rules and discipline, their responsibility as public servants, and the idea that party members and cadres must set an example in observing and executing the law! They "have forgotten justice at the sight of profit," violating the law while knowing the consequences. Some of them have become criminals and have been arrested according to the law. It serves them right.

That this illegal deal should have been "legally" carried out for a certain period of time is inseparable from the serious bureaucratism and ignorance of relevant economic decrees on the part of the responsible persons of some leading organs. As responsible persons of state organs of economic work, they should have a profound understanding of the situation and have a good grasp of relevant policies and stipulations before making a relevant decision. Zhang Jun and Cheng Lianchang, respectively former minister and vice minister of astronautics, nodded approval before obtaining a clear understanding of the situation and approved this illegal deal by the Guangyu Company. They have the unshirkable responsibility of leadership. They should be duly punished under party discipline.

This is an economic case unprecedented in the 36-year history of the People's Republic in which so many senior and middle-level officials were involved and punished. This shows that our party is determined to straighten out party style, rectify unhealthy tendencies, and eliminate all corruption. The party is serious and conscientious in doing this and is taking concrete actions. Early this year, Comrade Hu Yaobang pointed out: "In rectifying unhealthy tendencies, it is first necessary to be resolute, and second, it is necessary to persevere." Our party and government are doing precisely this. Everyone is equal before party discipline, government discipline, and the law of the state. No matter who he is, if he should defy world opinion, disregard party discipline and the law of the state, and commit all kinds of outrages, he will not escape the punishment of party discipline and the law of the state. If we persevere in this, in a year or two a basic turn for the better in party style and social atmosphere will result.

DU RUNSHENG COMMENTS ON RURAL PROSPERITY

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["Excerpts" of speech by Du Runsheng on 20 December at national rural work conference -- "Become Better Off Earlier, Become Better Off Later, and Achieve Common Prosperity"]

[Text] Beijing, 26 Jan (XINHUA) -- Adhere to the Policy of Allowing Some Portions of the Population To Become Better Off First

1. Achieving common prosperity is a goal for which our party has always worked hard. However, our practical experience over the past 30 years and more indicates that equating common prosperity with making everybody in the same place equally affluent at the same time is illusory. Resorting to the egalitarian practice of "suppressing the rich and helping the poor" will not only fail to achieve the goal of common prosperity but end in common poverty. Our experience in the contemporary communist movement proves that after the proletariat seizes political power, a developing nation must endure a process of establishing and improving the socialist system of public ownership and realize a system of distribution according to work. It is impossible to establish a pure socialist society within a short period. Nor is it possible to eliminate income differences in society within a short period. Since the 3d Plenary Session of the 11th CPC Central Committee, our party, based on the spirit of seeking truth from facts, has adopted the new policy recommended by Comrade Deng Xiaoping on behalf of the central authorities by allowing some areas and some portions of the population to prosper faster than others by working hard. Spurred by economic impetus, more and more people and areas have taken the road to affluence. This policy was initiated in the countryside. As seen from practice in the past few years, this new policy has yielded remarkable results.

During the 25 years prior to the 3d Plenary Session of the 11th CPC Central Committee, the peasants' annual net income in China rose by only 70 yuan from 64 yuan in 1954 to 134 yuan in 1978. With the implementation of the new policy, the peasants' annual per capita net income increased by 221 yuan in the past 6 years. The number of households of low income decreased, while that of those of high income increased. The number of households with a per capita income of less than 200 yuan a year dropped from 85 percent in 1978 to 14 percent in 1984, while those with a per capita income of more than 500 yuan a year rose from 0.6 percent in 1978 to 18 percent in 1984.

This indicates that the process of becoming well off in the whole countryside remains steady and sound. Our practical experience indicates that the policy of allowing some portions of the population to become well off first by working hard in entirely correct. This policy helps develop the economy and realize the goal of common prosperity. We must unswervingly implement this policy over a protracted period.

It should be realized that there exists an income gap among peasants. According to figures provided by the State Statistical Bureau, the income gap between a typical high-income household and a low-income household increased by 0.7 times in 6 years, from 1.9 times in 1978 to 2.6 times in 1984.

2. There are objective reasons for the creation of an income gap among individuals in the course of economic growth. The socialist system of public ownership in China provides all workers with basic conditions for earning a living and the opportunity to develop. It enables social and economic development to advance toward common prosperity, and prevents the polarization of commodity economy characteristic of private ownership. However, if society continues to adhere to the principle of remuneration on the basis of work done, such differences in income are inevitable, because people differ in work skills and management ability. These differences will continue to exist over a protracted period until a system of distribution according to need is implemented.

Currently, there exist a variety of economic ownership patterns in China, with public ownership of production means predominating. In particular, it permits the existence of individual economy, with differences in the quantity and quality of production tools peasants possess or use. Also, there are differences in the nature and quantity of resources. With the progress of technology and the accumulation of funds, there will be an even wider gap among various industries in the exploitation and use of resources. In the course of economic growth, balance and fluctuation of supply and demand constantly and alternately replace each other, providing many opportunities to make a profit on the market. This enables those with greater adaptability to market changes to reap larger profits and higher income. These income differences resulting from differing conditions are inevitable. It is necessary to recognize differences in profits, while adopting appropriate regulatory measures to keep them within reasonable bounds. Only thus can we encourage the development of commodity production. Negation of these differences is tantamount to negation of economic development itself.

Furthermore, in the course of developing commodity economy, some people may look for loopholes to enrich themselves through improper business methods, appropriation of public property, plundering of people's properties, and infringement on the interests of producers and consumers. There are a handful of such people, and their income is abnormally high. They have already aroused strong indignation in society. Although this is historically an inevitable phenomenon in the course of developing commodity economy, we must and can curb and stop these practices by applying the legal and tax systems to the best of our ability.

3. China is a vast country, and the degree of economic development differs greatly in the various localities. This inevitably creates a difference in economic power and technological capability among different regions. For various historical reasons, the western part of China and other remote areas, although very rich in natural resources, still remain underdeveloped. The economy of a large part of inland China has only been half developed. Relatively speaking, some coastal areas are more advanced technologically and stronger economically, and have been able to absorb advanced production and management techniques from foreign countries earlier. After these areas achieve economic prosperity, they will push the center of economic development to the central and western regions. We realize that some economically underdeveloped areas may achieve local economic prosperity by combining local resources and advanced technologies introduced from foreign countries or other localities. We should also realize that some areas may achieve temporary economic prosperity. But, viewing the nation as a whole, the main trend of economic development will be from the eastern to the western part in decades to come. The relatively low prices of primary products and relatively high prices of processed products, which have existed for a long time, as well as the impossibility of bringing profit margins of these products to the same level at the present time, have created a better environment for capital accumulation in the eastern part of China, with its concentration of processing industries. Although the state may use a macroeconomic approach to adjust the growing gap in income distribution created by the differing degrees of economic development in various regions, we must admit that this growing gap in income distribution is an inevitable phenomenon in the course of developing commodity production.

This does not mean that development opportunities no longer exist in these regions. Differing degrees of economic development in different regions and mutual dependence of supply and demand among these regions provide opportunities for opening up markets beneficial to everyone. If these regions could grasp these opportunities and establish a foothold for economic development by pooling their limited manpower, material, and financial resources, and by taking advantage of the resources of individual localities, they would be able to create fundamental conditions for shifting the state's economic development strategy and improving their own local economic conditions.

On the Argument for Efficiency and Equality

4. The argument for economic efficiency and social equality has existed for many years in Western countries. Social equality refers to the equalization of income of all members of society, while economic efficiency refers to the organization of production elements conducive to economic development and the mode of economic development. Markets are needed to provide, on the basis of economic efficiency, remuneration to commodity producers who have invested capital or labor or have made a technical contribution. This remuneration is income for these people. The following phenomenon is not uncommon. It is necessary to maintain a difference in remuneration in order to improve economic efficiency, and high economic efficiency is unlikely if income is equalized.

In a capitalist system, these contradictions between production and distribution, and between efficiency and equality, cannot be completely resolved, because the production means are owned by individuals, and interests and profits, as a form of distribution, are based on the exploitation of laborers employed by capital holders. Socialist countries are based on public ownership, and therefore provide every condition for ironing out contradictions between efficiency and equality. Through appropriate distribution and redistribution policies, it is possible for the people's regime to achieve the highest possible efficiency with a minimum of inequality, or to achieve the highest possible equality with the smallest possible loss in efficiency. Our economic reform will create practical conditions for realizing this objective.

5. In the past, we erroneously regarded social equality as absolute equality, handled issues on equality without taking economic efficiency into consideration, adopted administrative means of egalitarianism and indiscriminate transfer of resources, maintained equality at the expense of economic efficiency, negated development of commodity production under socialist conditions, negated the objective law that income distribution is subject to market situation, practiced forced intervention with noneconomic means, severed the relationship between equality and efficiency, and disrupted the relationship whereby equality and efficiency can improve each other in a socialist society. Such forced intervention contributed to the growth of egalitarian social ideology among small farmers, which even now remains the major ideological obstacle of the development of a commodity economy. As a result, some people cannot understand correctly the fact that the living standard of the whole society has improved while the gap in income has grown relatively wider. These people have ignored general improvements in living standards and improvements in their own economic situation, simply hoping that the income gap among people could be eliminated as soon as possible. Although their living conditions have greatly improved, some people still feel that they are lagging behind other people, or think that other people's living conditions have improved even more. These people tend to use some abnormal cases as references for comparison, and tend to negate the policy of allowing some people to become better off earlier. This is a kind of ideological tendency we should seriously endeavor to curb now.

Create Conditions for Realizing the Goal of Common Prosperity

6. Material conditions for realizing the goal of common prosperity can only be created with economic efficiency. We should exercise appropriate control over the income gap, but at the same time we should take more care in ensuring the development of productive forces, and recognize the positive role of laborers' independent material benefits and the gap in income in developing productive forces. We should not intervene excessively in income differences, resulting from the difference in the individual ability of producers and business operators. We should only exercise appropriate control over some cases involving extraordinarily wide gaps in income, and over some special consumption projects by adjusting social consumption funds. High income resulting from differences in capital and resources possessed may be adjusted through the progressive income taxation or through taxation on resources and property. High income earned by business owners who have exploited market deficiencies or discrepancies appearing in the course of economic reform should be curbed with taxation, and, in addition, market administration regulations should be established and improved as soon as possible to close loopholes. The legal system should also be improved so that those seeking exorbitant profits by violating the law can be brought to justice. Party members and cadres who lead the masses in rural areas to achieve common prosperity should be commended, those who set an example in becoming better off through hard work should be protected, and those who acquire wealth by abusing powers or through crooked means should be handled according to the law. The policy of allowing some people to become better off first should not be altered. At the same time, it is necessary to create an optimum climate to encourage peasant investment in the development of production and to prevent them from engaging in excessive consumption and carrying out acts such as business speculation. What we should do is provide basic conditions for steady development. Economic development has promoted the division of labor in society, resulting in the emergence of a large number of specialized households in rural areas. We should protect, encourage, and support these specialized households and allow them to become better off sooner than others by applying advanced scientific and technological techniques and operation and management methods. The appearance of artificially created improper "rich families" in rural areas is entirely different from allowing some people to become better off first through industrious work. Supporting rich families at the expense of sacrificing progress opportunities for the general public does not conform to party policy and should not be considered a normal phenomenon.

7. In our country there are basic prerequisites to preventing polarization, and there is a guarantee for embarking on the road toward common prosperity. In rural areas these are reflected primarily in the persistent public ownership of basic means of production, the perfection and development of the cooperative economy, and equal opportunities accorded to all laborers. Facts have proven that where the cooperative economy has been fully developed, more peasants have become better off, and the advance toward affluence is more rapid. The motivating force of the cooperative economy comes from the peasants' demand to develop commodity production or, more specifically, their need for services before and after production and their demands to expand their operations. In view of this, it is necessary to consider the needs of commodity economy development in different localities and proceed from providing required services to establish and perfect the various kinds of economic associations suited to different local conditions on the basis of household operations.

Implementation of the cooperative system, however, cannot eliminate differences in the degree of affluence and in the speed with which affluence is acquired. When the system of distribution according to work is implemented in a cooperative under a collective's centralized management, differences in individuals' income should, of course, exist. In a cooperative under dual management, the difference in the degree of affluence is all the more inevitable among peasant households due to their different production conditions. Moreover, the differences among cooperative operational organizations in the means of production in their possession, their methods of operations and management, and their geographical conditions comprise another important factor for the income gap among peasant households. For this reason, implementation of the cooperative economic system can only result in common prosperity in the sense of establishing common development and prevent class polarization. In no way does it mean simultaneous and equal prosperity. In view of this, we should make a positive effort to perfect and develop the cooperative system and, at the same time, to guard against absolute egalitarianism and not slip back into the old rut of "sharing food from the same big bowl" and "throw every unfavorable thing onto the big heap" [gui da dui 2981 1129 1018]. In this way we will maintain the inherent unity of allowing some people to become better off first and achieving common prosperity.

8. To make low-income earners better off, we should try to improve them by raising their educational level and cultivating their production skills and operational capability so as to enable them to meet the needs of developing the commodity economy. What is more important is to open more avenues for them to develop diversified operations. It is necessary to regard the changing use of the rural labor force as a fundamental condition for achieving the long-term strategic goal of common prosperity. In particular, while the fulfillment of agricultural production needs can be ensured, feasible steps should be taken to switch the use of the rural labor force from developing agriculture to developing secondary and tertiary production and from the countryside to cities and towns. The flow of the labor force includes the "flow" from one sector to another and from one locality to another as well as the flow between different social strata in urban and rural areas. Allowing a steady flow in the labor force is not only conducive to the creation of equal opportunities but can also encourage people to progress and help raise economic efficiency. This is another potential waiting to be tapped in our society.

On the whole, only when a steady growth of the gross national product is guaranteed will it be possible to provide the necessary material basis for common prosperity. This is because we should not merely pay attention to distribution but, more important, we should pay attention to production in order to eliminate various differences. The task of rural reform is to create a favorable economic environment for developing rural productive forces, primarily favorable market conditions. However, if the applied technology is not advanced, if the scale of operations is too small, and if labor productivity cannot be raised, this market condition cannot become a favorable factor for economic development.

According to the fundamental Marxist view, distribution is determined by production, the relations of distribution hinge on the relations of production, and distribution, in itself, is a product of production. Because of this, when speaking of common prosperity, we cannot avoid discussing the development of productive forces. The degree of social material affluence determines the total amount of income that can be distributed to people. The goal of common prosperity can only be achieved successfully under the premise of highly developed production, abundant supplies of social products, and perfection of the system of public ownership. To achieve the goal of common prosperity, efforts should be made to raise the level of rural social productive forces and to develop a cooperative economy step by step in line with the needs of development of productive forces and based on the willingness of the masses. This shows the two sides of the issue, a fairly prolonged course of economic development, and an inevitable road in the advance of history.

TECHNOLOGY, TOWNSHIP ENTERPRISES CONSIDERED

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[Article by Wu Mingyu: "A Fundamental Policy for Promoting the Technological Progress of Township Enterprises -- A Few Points of Understanding on the 'Spark Plan'"]

[Text] Recently, the CPC Central Committee and State Council entrusted the State Science and Technology Commission to work out and implement a "spark plan." This has received a warm response from the broad masses of various provinces, municipalities, and regions and aroused their great interest. Now many places are also drafting their own "spark plans." What is the fundamental purpose and target of the "spark plan?" Why do we need it. What will be its influence on national economic and social development, especially on town and township enterprises which are springing up vigorously?

The purpose of the "spark plan" is to draw the spark of modern science and technology toward the countryside and the town and township enterprises so that it can spread far and wide and forcefully promote the local economy. The targets of the state's "spark plan" during the Seventh 5-Year Plan period are: 1) To develop 100 complete sets of technological equipment suitable for the countryside and the town and township enterprises and put them into group production; 2) To help establish 500 model town and township enterprises and provide them with complete technology and production techniques and methods of standard management, product design, and quality control; 3) To train a number of educated youths and grass-roots cadres for towns and townships every year so that they can master one or two advanced technologies suitable for their own areas and some knowledge of modern management.

In order to fully understand the significance of the "spark plan," it is first necessary to study and analyze the position and role of town and township enterprises in China's national economy.

Since the 3d Plenary Session of the 11th CPC Central Committee, China's industrial and agricultural production has been developing rapidly. Total grain output reached more than 800 billion jin in 1984 and total industrial and agricultural output value reached more than 1,000 billion yuan. A very important part of this achievement came from town and township enterprises. By the end of 1984, total output value of these enterprises already exceeded 170 billion yuan, comprising more than 17 percent of the total industrial and agricultural output value or more than 24 percent of the total industrial output value. In 1984, the growth rate of town and township enterprises was even higher. Their total output value reached more than 230 billion yuan, nearly 20 percent of total industrial and agricultural output value or 30 percent of total industrial output value.

By the end of this century, China will quadruple its total industrial and agricultural output value, which should reach 2,800 billion yuan. How can we achieve this aim? Now we have a vital new force. If town and township enterprises continue to increase their output value at a rate of 10 percent each year, in the year 2000 their output value will exceed 1,000 billion yuan and will make up one-third of the national total industrial and agricultural output value. From this we can see that town and township enterprises are an important pillar of our national economy.

Apart from its great economic significance, the development of town and township enterprises is also of far-reaching strategic significance to China's economic and social development.

First, it has opened multiple possibilities for the settlement of the surplus labor problem in China's countryside. For many years, we had several policies preventing rural people from entering cities blindly and in large numbers. We established many labor-intensive industries as a solution to the surplus labor problem. But the problem was not solved. Since the 3d Plenary Session of the 11th CPC Central Committee, due to increased agricultural labor productivity, there has been more surplus labor in the countryside. There are presently more than 360 million laborers in China's countryside. In 1949, right after the country had been liberated, a rural laborer had to till an average 9 mu of land; now a laborer has only 4.5 mu of land to tend. In addition, there are a total of more than 200 million horsepower of farm machinery and equipment in the countryside. This equals 700 to 800 million laborers. Thus, the problem of surplus labor in the countrysdide has become more prominent. Although a diversified economy has been developed in the countryside, there are still many surplus laborers.

Development of town and township enterprises is now providing these surplus laborers with more employment opportunities. According to 1984 year end statistics, there were then more than 50 million laborers in town and township enterprises. In the 35 years since liberation, whenever a laborer was recruited by state-owned industry the state had to invest some 14,000 yuan in fixed assets. Thus, for 50 million laborers the state would have had to invest 700 billion yuan in fixed assets. Moreover, whenever a rural laborer was recruited and entered the city, the city had to provide him and his family with housing, work space and other public facilities amounting to 10,000 yuan. When these two expenses were combined, for the 50 million peasants living and working in the cities the state had to spend 1,200 billion yuan. It was impossible for the state to afford such great sums of money in a short period of time. Now the employment problem of 50 million people has been solved by town and township enterprises. In 1984 their output value reached more than 170 billion yuan. Not only has the economy been developed and peasant income increased, but stability of the whole socity has been greatly promoted. This is really an amazing achievement.

Second, development of town and township enterprises has accumulated good experiences for China's countryside in blazing a new trail toward modernization. The problem of how to realize modernization in the countryside is one that people are most concerned about. In the past, as a result of implementing the policy of "making grain the key link," even high-yield areas were still poor and unaffected by modernization. But now the situation is entirely different. Since a diversified economy and town and township enterprises have been developed by the peasants, the rural economic basis has been strengthened and the face of China's countryside has changed. Some comrades were concerned that the development of town and township enterprises would affect agricultural production. When some locations were hit by natural calamities last year and grain production areas were reduced, they were more apprehensive that agricultural production might drop significantly. Such apprehensions were unwarranted. What are the facts? Last year, despite serious natural calamities and a drop in grain production, our agricultural output value as a whole continued to increase.

People have often said that "when there is grain in hand, we have nothing to worry about." This is true in an agricultural society. In a society with a commodity economy it is also very important for the peasants to have money in hand. With the ability to invest and reinvest, they will have everything, such as fertilizer, farm machinery, and water conservation facilities. But where can they obtain money? They can get it chiefly through developing a diversified economy and town and township enterprises. Only when they have more money and the economic strength of the countryside is enhanced, and when "industry is capable of supplementing agriculture," can agriculture be better developed. We can imagine how serious the consequences of natural calamities would be without the vigorous development of a diversified economy and town and township enterprises.

In the course of industrialization, no country can avoid taking the road of urbanization, because many public facilities and industrial bases have to be established and concentrated. Work in many fields, such as water supply, heat supply, gas supply, road maintenance, and communications has to be centrally managed. But we must not just mechanically copy the experiences of the capitalist countries in urbanization. It is possible that China's urbanization will take its own specific road. The urbanization of many capitalist countries was based on destruction of agriculture or the bankruptcy of large numbers of peasants due to the increased mechanization of agriculture. The peasants then had no choice but to work in the cities. Many developing countries are presently following the same road in their urbanization. What road will China take? In the past we spent large sums of money to help develop large and medium-sized cities. But now, with our economic strength, it is very difficult to build many large and medium-sized new cities. We must blaze a new trail, that is, build small towns and townships all over the country, each with a population under 100,000 or less. By the year 2000, China's population will reach 1.2 billion. There is presently an urban population of 200 million in our country. By 2000 it will possibly reach 400 million. We are unable to build dozens of large cities like Shanghai, Tianjin, and Guangzhou. Therefore, the only solution is to build small towns and cities. The central authorities proposed strict control of the development of large cities while building large numbers of small towns and cities. This is an important policy decision. But what are the conditions for developing small towns and cities? A very important condition is the development of town and township enterprises. Therefore, modernization and urbanization of the countryside must rely on the development of town and township enterprises.

Third, transformation of the old and large cities also needs the support of town and township enterprises. For example, Shanghai, with its highly intensive industry, is seriously polluted and must be transformed. A solution in this transformation is to develop town and township enterprises so as to disperse some traditional inustries from this city and gradually turn the city into a technology-intensive industrial city. In Suzhou, some 80 to 90 percent of spare parts for several brand-name household electric appliances are produced by town and township enterprises. The fact that town and township enterpises have promoted the development of specialized production proves that the development of these enterprises is an important channel for the transformation of large cities and the industrial and technological transformation of these cities.

From the above-mentioned, we can see that by developing town and township enterprises, it is quite possible for us to forge a new road suited to China's conditions to eliminate differences between industry and agriculture and those between town and country.

Of course, there are still many problems in developing town and township enterprises. The main problems are: 1) There exists a degree of blindness. In some places, when the leaders got wind of something, they hastily decided to make an investment; but once they found it inapplicable, they changed their minds immediately. In some places, running woolen mills was once the prevailing practice because they were quite profitable then.

2) The level of management is insufficient. Many factories do not have a scientific management system. For example, a factory producing textile machinery has achieved very good economic returns because its products sell well in many provinces. However, in its workshops there are no fixed production lines and no systems, of personal responsibility; they store spare parts anywhere they like. 3) The technological level is low. There are almost no technicians in town and township enterprises. Of the more than 1.8 million industrial technicians in the entire country, about 400,000 are in industrial enterprises above the county level. Each enterprise has less than four technicians on average. But there are almost no technicians in the more than 6 million town and township enterprises (including those run by villages). They only have some middle-school graduates. This problem, which should be gradually and conscientiously solved, exists in many places.

Of course, this does not mean that the past phenomenon of "small indigenous groups" can thus be totally prevented. By drafting the "spark plan" and supporting technical innovation in the countryside, we are attempting to avoid such problems. Since the countryside is backward in technology, we must provide it with technology and help it develop on a healty road.

Some people may say that town and township enterprises have many other shortcomings, such as low labor productivity and economic returns, inferior quality of products, and competition with large industrial enterprises for raw materials and energy resources. That is true. However, we must look upon the question from both sides. On the question of low labor productivity, it depends on the comparison. If we compare it with the industrial level of developed countries, it is certainly very low. This is true not only regarding labor productivity in town and township enterprises but in the whole country's industrial production. If we compare it with the other fields in our country, we find that although it is lower than the labor productivity of modern enterprises, it is much higher than that of agriculture. A peasant, though working very hard throughout the year, can only produce an output value of less than 1,000 yuan. When he works in a town or township enterprise, he can produce more than 3,000 yuan. This is why peasants wish to develop town and township enterprises. Raising labor productivity means development. The transition from agriculture to manufacturing is itself an expression of raising labor productivity. Besides, we must realize that the development of town and township enterprises has greatly improved agricultural production conditions. More than 50 million peasants have left the agricultural production front, and more and more peasants will do the same in the future. This is an example of raising agricultural labor productivity.

As for economic returns, judging from some production targets, town and township enterprises are no worse than large state enterpises. According to statistics, the output value of industrial enterprises above the county level from every 100 yuan of fixed assets is 91 yuan; that produced by town and township enterprises is 229 yuan. In addition to the output value, profit and tax values of town and township enterpises are also higher. In 1984, taxes and profits turned over to the state by state enterprises on the basis of 100 yuan of fixed assets was 22 yuan; that of town and twonship enterprises was 24 yuan, nearly 20 percent of which came from town and township enterprises. Town and township enterprises naturally need to consume energy resouces, but they can also produce energy resources. Over the past 4 years, coal output increased by 150 million tons, of which 110 million tons came from small coal mines. This played an important role in mitigating contradictions between supply and demand of energy resources in our country. In the past, in order to increase production by one ton of caol, the state had to make an investment of 170 yuan. Thus, in order to increase production by 110 million tons of coal, the state would need to invest 20 billion yuan. Now all this has been achieved by the efforts of the peasants without spending a single state yuan.

The situation is the same in the production of construction materials, some 53 percent of cement, sand, and stones have been produced by town and township enterprises. These enterprises have also provided large industrial enterprises with many primary processing materials and some spare parts. In this respect, they are an essential supplement to the large state industrial enterprises.

Management of town and township enterprises must deal with the dual nature of backwardness in production management and special vitality in administrative management. Most town and township enterprises have developed in the economic competition of the market. Nobody provides them with raw materials and energy resources, so they have to purchase them at higher prices. With low management costs and few administrative personnel or idlers, town and township enterprises have treated the three links of production, supply, and sales as a whole. This shows that these enterprises are very adaptable. China's enterprise reform may well learn some useful lessons from town and township enterprises.

At present, there is a question of how to deal with town and township enterprises. Following are three methods: First, force them to close down. Since town and township enterprises have great adaptability and can easily change their products, just as the "72 metamorphoses of the Monkey King," it is impossible to force them to close down. Not even a prairie fire can destroy the grass; it grows again when the spring breeze blows. Since the peasants have need of them and are capable of management, it is impossible to close them down. Moreover, there is a new trend toward developing large numbers of small but specialized modern factories in the contemporary world. This is especially true in the United States, Japan, West Germany, Italy, France, and some developing countries. Town and township enterprises conform to this trend. Second, let them emerge by themselves and perish by themselves. If we do not give town and township enterprises any support or guidance when they encounter problems and difficulties, we may inflict great harm on the national economy, or make town and township enterprises follow a roundabout course in further development. Third, make positive efforts to guide the town and township enterprises and help them improve technological and management levels so that they can develop healthily. This is the basis of the "spark plan."

The town and township enterprises need science and technology. Science and technology must serve the development of town and township enterprises in the countryside. Implementing the "spark plan" has provided China's science and technology workers with a vast showcase for their abilities. The flexibility and initiative of town and township enterprises as well as their strong desire for technology will inevitably speed the course of transforming technological achievements into commodities and give full play to the wisdom and ability of the broad masses of science and technology workers. Only half a year has passed since the "spark plan" was drafted and put into effect. It has already drawn a warm support and response from various circles. If this plan is carried out constantly, we can expect great achievements in the future.

MILITARY LEADERS VISIT VETERAN PLA MARSHALS

OW070949 Beijing Domestic Service in Mandarin 1000 GMT 6 Feb 86

[Text] Hong Xuezhi, deputy secretary general of the Central Military Commission, on the morning of 5 February, led leading comrades of the PLA General Staff Department, General Political Department, and General Logistics Department, as well as leading comrades of the National Defense Science, Technology, and Industry Commission to visit Marshals Ye Yianying, Liu Bocheng, and Nei Rongzhen in Beijing. On behalf of the leaders of the Central Military Commission and commanders and fighters of the entire Army, he extended new year greetings to the old marshals, and sincerely wished them a happy Spring Festival, good health, and a long life. Marshal Nie Rongzhen was very much concerned about the Army's streamlining and reorganization, and repeatedly urged that the resettlement of demobilized Army cadres be properly carried out.

SPRING FESTIVAL PARTY FOR RETIRED CADRES 5 FEB

OW060230 Beijing XINHUA in English 1610 GMT 6 Feb 86

[Text] Beijing, February 5 (XINHUA) -- Communist Party and government leaders joined 20,000 retired cadres at a Spring Festival party at the Great Hall of the People here tonight. Full of festive spirit, these veterans of China's liberation and construction flocked to the brightly-lit hall to enjoy music, dancing, acrobatics, Beijing opera, films and other entertainments. The most popular programs were a painting and calligraphy exhibition, chess, and bridge games. Jointly sponsored by the party Central Committee's Organization Department and the Ministry of Labor and Personnel, the event was also attended by senior officials from party and State Council departments and the headquarters of the People's Liberation Army.

PARTY, STATE LEADERS AT BEIJING SOIREE

OW091656 Beijing XINHUA in English 1452 GMT 9 Feb 86

[Text] Beijing, February 9 (XINHUA) -- Chinese Communist Party, state and Army leaders joined more than 20,000 people at the Great Hall of the People here this evening in celebrating the traditional Chinese new year. The holiday makers were industrial and service trade workers and people from cultural, educational and public health circles. A rich program of songs and dances, traditional operas, films, table tennis exhibition matches and other recreational activities was offered. A peasant orchestra from Qingxian County, Hebei Province, and acrobatic troupes from Shenyang, capital of Liaoning Province, and Beijing were asked to give performances at the get-together.

FANG YI RECEIVES HONORARY WEIQI RANKING

OW120439 Beijing XINHUA Domestic Service in Chinese 1358 GMT 11 Feb 86

[By reporter Li Qingyang]

[Text] Beijing, 11 Feb (XINHUA) -- According to information from the department concerned, the third "Chen Yi Cup" weiqi [Go chess] tournament ended after 24 days of friendly and intense competition. A grand closing ceremony was held at the Great Hall of the People this afternoon. State Councillor Fang Yi and Vice Chairman of the NPC Standing Committee Ye Fei attended the closing ceremony and awarded "Chen Yi Cup" trophies to the winners of the tournament Jin Ming, Hu Changrong, and Xu Chunru.

During the ceremony, Li Menghua, president of the Chinese Weiqi Association, issued Fang Yi, Ngapoi Ngawang Jigme, Ye Fei, and Wang Shoudao certificates of honorary seventh duan [seventh duan is the third higbest grade of weiqi skills]. Li Menghua also handed Zhang Jingfu and six other elderly persons contracts employing them as advisers to the Chinese Weiqi Association in recognition of their contributions to the development of China's weiqi activities.

It is also reported that a weiqi delegation of high-ranking Japanese Government officials will visit China and hold friendly matches with Chinese players from 1 to 4 March. A responsible person of the department concerned announced at today's closing ceremony that a weiqi team composed of 18 Chinese Government officials has been formed to train for the matches; Jin Ming and Liao Jingdan are team coordinators while Chen Zude and Hua Yigang are instructors. Chen is a ninth duan while Hua is an eighth duan. Members of the Chinese delegation for the forthcoming matches will be selected from among the team members after training is completed.

GUANGDONG SENDS PARTY RECTIFICATION LIAISON TEAMS

HK080527 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 5 Feb 36

[Text] According to NANFANG RIBAO, in order to do well in party rectification of the rural areas at the district level, the provincial CPC Committee group for guiding party rectification recently selected 500 cadres from various provincial organs and sent them in 28 liaison teams to attend a 10-day work meeting of members of liaison teams. After the Spring Festival, they will be sent to 28 countries and cities to help these areas do well in party rectification of the rural areas at the district level.

Leading comrades of the provincial CPC Committee attached great importance to this work meeting. During the meeting, Comrade Wang Ning made a report on study and mobilization.

Yesterday morning, Comrade Guo Rongchang made a summation speech at the meeting. In his speech he stressed: In this party rectification in the rural areas, we must act in accordance with the central party rectification instruction, which states that we must not disrupt the situation while solving problems. We must uphold the principle of seeking truth from facts. We must know very well the party's policies, and correctly handle the relations between party rectification and economic construction and the work in this regard.

GUANGDONG LEADERS AT SPRING FESTIVAL TEA PARTY

HK080507 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 4 Feb 86

[Text] Guangzhou Military District held a Spring Festival tea party this morning. It was attended by over 150 people, including responsible comrades of the province, city, and military attached to Guangzhou. The party was held at Yinbin Hall.

The participating military comrades included responsible comrades of Guangzhou Military Region Zhang Zhongxian, Liu Cunzhi, Zhang Wannian, Li Xilin, Zhang Mingyuan, and Chi Yunxiu; retired leading group members of Guangzhou Military Region; veteran comrades of the military region who have stepped down to the second and third fronts; and responsible people of leading organs of Guangzhou Military Region, the Navy, and Air Force attached to Guangzhou Military District, the provincial military district, military academies, Guangzhou military subdistrict and the provincial armed police force.

The participating local comrades included responsible comrades of CPC committees, advisory commissions, people's congresses, governments, the CPPCC at both provincial and city levels, and the provincial discipline inspection commission. They included Ye Xuanping, Xie Fei, Wang Ning, Liang Lingguang, Luo Tian, Wu Nansheng, Xu Shijie, and Zhu Senlin. The party was also attended by veteran comrades who have retired from their leading posts and responsible people of the departments concerned.

From start to finish, the party was marked by a moving scene of unity between the Army and the government, and between the Army and people. Around 0700, leading comrades of the province and the city went to the entrance to the hall despite cold weather, in order to greet the military comrades. When they met, they warmly shook hands and exchanged season's greetings. Ye Xuanping, deputy secretary of the provincial CPC Committee and governor; (Liu Anyuan), deputy political Commissar of the military region; and Zhu Senlin, deputy secretary of the city CPC Committee and acting mayor, addressed the warm and lively forum.

They talked of last year's progress in building the locality and the Army.

They expressed the view they must do even more this year in their work of giving special care to family members of revolutionary martyrs and servicemen and supporting the Army and cherishing the people, so as to make new contributions toward building both the socialist material and spiritual civilizations and make fundamental changes for the better in party work style and the general mood of society.

GUANGXI'S 10 MAJOR ECONOMIC, SOCIAL EVENTS IN 1985

HK081054 Nanning Guangxi Regional Service in Mandarin 1100 GMT 6 Feb 86

[Text] The comprehensive departments of the regional Planning Committee and regional Statistical Bureau have provided information on the 10 big events of economic and social development in Guangxi in 1985. These 10 big events were:

1. Industrial production continuously increased. According to initial statistics at the end of the year, the gross output value recorded an increase of 18.9 percent over the preceding year. The output value, profits, and taxes and profits submitted to the state simultaneously increased. The stagnant situation in local revenue over the past few years changed and revenue was 630 million yuan more than in the preceding year, exceeding 2 billion yuan for the first time.

2. The regional party congress and People's Congress elected new members of the CPC Committee and augmented the leadership group of the people's government.

3. The regional people's government held international talks in Guilin on economy and technology. People from industrial, commercial, and financial circles in 17 countries and regions attended. Some 90 contracts and agreements were signed and the total amount of money exceeded the total sum in all contracts signed since the founding of our country. The contracts between Guangxi and the outside world were further strengthened.

4. The No 4 100,000-kilowatt generating unit of the (Daohua) hydroelectric power station was completed and began generating electricity. This power station with an installed capacity of 400,000 kilowatts, was thus completed and put into operation.

5. Regarding the railroad from Nanning to Fangcheng Port, railroad tracks were laid to Qinzhou and trial runs began.

6. The construction of an airport and a wharf for ships of 10,000-tonnage in Beihai, an open city, commenced. No 3 10,000-tonnage berth was made available.

7. The realignment of the course of the (Xi) Jiang and the construction of the key ship lock officially began. After the Guixian County port was expanded, the handling capacity of the port increased by 100 percent to reach 2.57 million tons. The port became one with the largest handling capacity on the inland rivers in Guangxi.

8. The northern part of Guangxi and Qinzhou and Yulin Prefectures were hit by floods which they had not experienced for many years. The whole region was also affected by drought and other factors. The whole region's output of grain was reduced in 1984, and it was estimated that output would be further reduced by 1.87 billion jin. However, a bumper harvest of industrial crops was reaped.

9. The work of changing communes to townships and the establishment of political power at the township and town levels was completed.

10. Of the 19 counties throughout the region where schistosomiasis was prevalent, 17 counties had completely eliminated schistosomiasis by the end of 1985 and 2 counties had basically controlled it.

HENAN'S YANG XIZONG DISCUSSES DEVELOPMENT STRATEGY

HK070523 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 3 Feb 86

[Text] At the Henan provincial discussion meeting on the strategy for the economic and social development which concluded yesterday, Governor He Zhukang said: The leaders of all departments at the provincial level and of all prefectures, cities, trades, and professions must have foresight and strategic thinking regarding the formulation and implementation of the strategy of development and the giving of strategic guidance as the most important task of a modern leader. He hoped: Experts, scholars, and more comrades will attach importance to and show concern for the study of the strategy of economic and social development in our province.

From 29 January to 2 February, the provincial government held a Henan provincial discussion meeting in Zhengzhou on the strategy of economic and social development, to discuss and revise the report on the study of the Henan provincial plan for the strategy of economic and social development, so as to work out as soon as possible a strategic plan which can really meet the needs of the economic society and of scientific and technological development and so as to provide a scientific basis for the provincial CPC Committee and provincial government to formulate important policy decisions.

At the meeting, Comrade He Zhukang stated his views on the importance of studying and formulating development strategy, on the main tasks of the development strategy in our province, and on the aim, focal point, and measures of the strategy. He said: By the end of this century, our province's gross industrial and agricultural output value must increase by some 400 percent. At the same time, we must strictly control the growth of population and strive to make the people's material and cultural life reach the level of a comparatively well-off family. For this purpose, we must raise the per capita gross industrial and agricultural output value and national income, which are now equal to 65 to 70 percent of the average national level, to some 85 percent of the average national level. Thus, the people's living standard can reach the level of a comparatively well-off family. Later, on this basis, we must strive to make them reach or surpass the average national level and enter the national advanced ranks. So long as we press forward in the face of difficulties, have our feet planted on solid ground, and practically and realistically work hard, we can achieve our target completely.

Comrade He Zhukang said: With a view to achieving our strategic target, we must regard reform as an overriding task at present and for a certain period in the future. We must vigorously and carefully push reform forward. We must lay stress on the development of intellectual resources and vigorously raise economic results. Leading cadres at all levels must have a sense of urgency.

Some 200 leading comrades of all departments at the provincial level and of all prefectures and cities, experts, and scholars who were attending the meeting unanimously held: So long as we have a plan for the strategy of development which conforms to Henan's realities, and a series of principles, policies, and measures, and really carry them out, after some 10 years' hard work, we can surely invigorate Henan.

At the conclusion of the meeting, Hang Xizong, secretary of the provincial CPC Committee, attended and spoke. He said: To formulate our province's plan for the strategy of economic and social development, we must regard the resolutions of the 3d Plenary Session of the 12th CPC Central Committee as the basis and the development of the planned socialist commodity economy as guiding ideology and, at the same time, have the planning, market, and [words indistinct] viewpoints. We must take the road of exploiting resources and, in accordance with the advantages and disadvantages of Henan, formulate the plan for the strategy of development. In the building of energy resources, we must stress the development of small hydroelectric power stations.

We must put the vigorous development of the urban and rural collective economy in an important position and begin paying attention to developing some new and developing industries, such as microelectronic techniques and bioengineering. In regional exploitation, we must give guidance according to different conditions and gradually [words indistinct].

Comrade Yang Xizong said: To develop Henan's economy, we must place our hopes in the development of economic relations among enterprises and regions and technological cooperation in the light of Henan's realities and in accordance with our current foundation. Under the premise of raising economic results, we must develop our province's commodity economy slightly more quickly than the average speed of national development.

Ji Hanxing, vice chairman of the provincial People's Congress Standing Committee; Yan Jimin, vice chairman of the provincial CPPCC Committee; and Vice Governors Hu Tingji and Hu Tiyun attended the meeting one after another to listen to the views.

HENAN LEADERS AT INTELLECTUALS FESTIVAL FORUM

HK080631 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 6 Feb 86

[Excerpt] This morning, the provincial CPC Committee and the provincial government held a Spring Festival forum of representatives of Zhengzhou's intellectuals at the conference room of Henan People's Hall. At the forum, leading comrades such as Yang Xizong, Liu Zhengwei, He Zhukang, Zhao Di, Zhan Jingwu, Hou Zhiying, Qin Kecai, Song Yuxi, Lin Xiao, Ding Shi, and Hu Tingji sat with the representatives of intellectuals and listened to their opinions.

He Zhukang, deputy secretary of the provincial CPC Committee and governor, delivered the first speech. He said: The province's achievements in 1985 on various fronts were made with the help of intellectuals' wisdom and hard work. On behalf of the provincial CPC Committee and the provincial government, I take this opportunity to thank you and express my highest considerations to the intellectuals who are working on various fronts.

He said: We face more requirements this year. It is hoped that all intellectuals across the province will first further have firm faith in the lofty goal of making more contributions to the socialist modernization programs. We should regard as our duty the work of invigorating Henan and the nation, and should devote our efforts to and be bold in the state's prosperity and the people's happiness.

Second, we should carry forward the spirit of the foolish old man who removed the mountains.

Third, we should actively take part in the actual work of reforms and construction. Focusing on solving problems that have developed in the course of reforms and the four modernizations, we should make greater efforts in the area of cultivating qualified personnel and so on.

He Zhukang also said: Intellectuals are the treasure of our party. It is the duty of our party committees and governments to solve problems for the intellectuals. From now on, we must further do well in this work and speak less but do a lot. At the same time, it is hoped that the intellectuals will realize that the foundation of the state and the province is still not very good. Therefore, some problems cannot be solved instantly and it is difficult for everything to be satisfactory. I hope that you can understand this.

The representatives of Zhengzhou's intellectuals, who are from scientific and technological, cultural, education, and arts and journalistic circles, enthusiastically praised the party's leadership, the great achievements on various fronts, the party's policy toward intellectuals, and the present good situation.

MAO ZHIYONG AT CHANGSHA SPRING FESTIVAL PARTY

HK080421 Changsha Hunan Provincial Service in Mandarin 1100 GMT 5 Feb 86

[Excerpts] This morning, people of various circles in Changsha held a get-together at the (Xiangjiang) Hotel to celebrate the Spring Festival. On behalf of the provincial party, government and military district, Comrade Mao Zhiyong extended season's greetings to the participants.

The meeting was attended by over 400 people, including Wang Shoudao, Standing Committee member of the Central Advisory Commission; Tao Zhiyue, vice chairman of the CPPCC; Zhou Li, former member of the Central Advisory Commission and veteran cadre; responsible people of the provincial party, government, and military district, various mass organizations, democratic parties, and the provincial Federation of Trade Unions; people of various nationalities, of religious circles, compatriots from Hong Kong, Macao, and overseas and their relatives; specialists and scholars of various sectors.

The meeting was presided over by Tong Ying, vice chairman of the provincial CPPCC. Cheng Xingling, chairman of the provincial CPPCC made a speech.

On behalf of the provincial party, government, and military district, Comrade Mao Zhiyong, secretary of the provincial CPC Committee, extended seasons greetings to the participants. Comrade Mao Zhiyong outlined the province's good political and economic situation in 1985.

Comrade Mao Zhiyong also talked about the tasks for 1986. He said: This year the general guiding ideology is to take as our guidance the spirit of the National Conference of Party Delegates. We must grasp well reforms and the building of spiritual civilization by focusing on economic construction. We must ensure a fundamental change for the better in the party's work style and general mood of society.

GUIZHOU VIEWS FOLLOWING CENTRAL DOCUMENT NO 1

HK070939 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 3 Feb 86

[Station Commentary: "Carry Out the Spirit of This Year's Central Document No 1"]

[Text] The CPC Central Committee and State Council have worked out plans for 1986 rural work. They have summed up new achievements and new experiences in rural work and proposed new measures for promoting an in-depth rural reform. This is a programmatic document. If we want to make a good start in the Seventh 5-Year Plan, we must seriously implement this document.

The provincial CPC Committee conference on rural work urged all localities to take the propaganda and implementation of the central document as the central task of the province's 1986 rural work. This is an absolutely correct plan. We must really grasp this firmly and well.

Cadres of various departments at all levels, particularly the leading cadres, must take the lead in studying the central document. Measuring themselves by the standards of CPC Central Committee's five successive Central Documents No 1, they should review their progress and experience in rural reforms. They should examine the situation of implementing various policies and that of serving villages, the grass roots, and peasants. Through studying, they should seek a common understanding about the new situation and the new task. They should also get a deeper understanding about rural reforms and the strategic position of agriculture.

All departments at all levels must act in accordance with the requirements of the provincial CPC Committee and government, seriously sum up their experience, work out measures to overcome their shortcomings, and really do well in the provision of services in such areas as qualified personnel, technology, funds, transport, the market, information, materials, and management. Cadres of various departments at various levels, particularly the leading cadres, must enthusiastically publicize the central document in the rural areas. They should carry out the spirit of the central document down to every household. They should organize the grass-roots cadres and the masses to hold large-scale discussions in connection with the local conditions. Focusing on the local advantages, they should discuss ways of attaining common prosperity. They should help villages formulate or revise plans of social and economic development, and help the peasant households formulate plans to attain prosperity by reaping bumper harvests or by extricating themselves from a poverty-stricken state.

The second stage of rural reform has become coordinated with the urban reform. Thus, the work is extensive and we face more problems. We should be determined in our work, use our innovative and bold spirit, and use the practice of seeking truth from facts to create a new situation in the province's rural work.

We believe that as long as the leadership at various levels carries out their work at the grass-roots levels in the rural areas, carries out large-scale discussions in an in-depth manner, and mobilizes the initiative of various sectors, we shall certainly make new and greater achievements in the second stage of rural reform. Our gross social output value of the rural area, our gross agricultural output value, and our per capita income will be greatly increased.

GUIZHOU'S HU JINTAO AT RURAL WORK CONFERENCE

HK070933 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 3 Feb 86

[Text] Between 28 January and 2 February, the provincial CPC Committee held a conference in Guiyang on rural work.

The conference determined that in this year's work, we should take as the basic guiding ideology the continuous in-depth rural reforms and the promotion of a continuous, steady, and coordinated development of the rural economy. We should further implement the policies toward the rural areas, greatly popularize technology in those areas, strive to improve production conditions, organize well pre- and post-production services, and grasp simultaneously the practices of attaining prosperity and helping the poor. Thereby, we can achieve a rapid growth in the gross social output value of the rural areas, the gross agricultural output value, and the per capita net income.

The conference conveyed the spirit of the central conference on rural work. It studied this year's Central Document No 1, as well as the central leaders' important speeches. It also summed up the province's situation and exchanged experience in rural reforms, and discussed measures for implementing this year's Central Document No 1.

The conference was attended by leading comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, and the provincial government. They also listened to speeches of representatives to the conference and reports on the conference. Qiao Xueheng, Standing Committee member and rural work department head of the provincial CPC Committee, conveyed the spirit of the central conference on rural work. After listening to the reports on the conference, Hu Jintao, secretary of the provincial CPC Committee, and Su Gang, chairman of the provincial Advisory Commission, delivered speeches. At the closing session, Wang Chaowen, deputy secretary of the provincial CPC Committee and governor, made a summary speech.

The participants analyzed and discussed at the conference the province's present situation in rural areas. They held that the situation was a good one. In 1985, the province promoted the development of rural commodity economy despite natural disasters and the relatively sharp drop in grain production. This was because the province reformed the centralized system of distributing and purchasing agricultural products and implemented market readjustment under the guidance of state plans. Therefore, the peasants' per capita net income in 1985 was increased by 9.4 percent compared to 1984. At the same time, the volume of agricultural and sideline products put directly on the market was increased. The turnover volume was also increased. It is expected that compared to 1984, the annual turnover volume of rural markets will have been increased by 45.5 percent.

When analyzing the situation, the participants recognized the province's problems concerning the rural areas. Generally speaking, the foundation of material supply and technology, on which the development of agriculture depends, is very poor. The areas are incapable of fighting against natural disasters. The development of rural economy is very uneven. The marketability of products of the rural areas is not high. The cooperative economy is imperfect. Some policies are still not implemented. The measures concerning reforms do not dovetail with each other. In connection with these problems, we must take active measures to solve them, so as to promote an extensive and intensive development of rural reforms.

The conference stressed: Party committees and governments at all levels must make their work meet the general requirements for 1986 rural work stated in the Central Document No 1, as well as the specific requirements proposed by the provincial CPC Committee and the provincial government. They should arrange well their agricultural work in connection with their local conditions. They must continue to readjust the industrial structure of rural areas. They must uphold the principle of grasping grain production and developing diversification.

They should develop in the direction of promoting farming, breeding, and processing on the one hand, and agriculture, industry, and commerce on the other. They should gradually build a multilevel, comprehensive, open, and multipurpose rural industrial structure. They should actively support and greatly develop town and township enterprises, improve their operation and management, strengthen technological transformation, improve product quality, and improve the competitiveness of products.

They should mobilize the peasants' initiative in growing and selling grain. They should adopt measures to ensure a steady and high rate of growth in grain production . They should strengthen basic agricultural construction, and improve production conditions so that agricultural production will gradually base itself on the supply of new materials. All localities must greatly strengthen the training of technicians and qualified personnel in connection with the requirements for readjusting industry. They should popularize technology in the rural areas so as to improve the scientific and technological standards of those areas. They should grasp well the work concerning transport and circulation. They should turn the credit cooperatives into genuine mass financial organizations, and strengthen their ability in money circulation. They must expedite the pace of road construction in counties and towns, further perfect the system of circulation, and develop diversification. On the work of helping the poor, they must thoroughly understand the uneven development brought about by historical causes and poor natural conditions. They should help the poor areas have faith in extricating themselves from a poverty-stricken state. They should activate the internal economic vitality of these poor areas in order to help them get rich.

The conference also pointed out: To perfect and develop the rural system of cooperation is an important part of the in-depth reform. All localities must begin and do well in their work by offering services.

The conference stressed: The CPC Central Committee has issued this year's Central Document No 1. Cadres of party committees and governments at various levels, as well as various departments concerned, particularly leading cadres, must go to the rural areas, the grass roots, and the masses. They should organize large-scale discussion among cadres and the masses, so as to convey the spirit of the central document down to every household.

GUIZHOU ISSUES CIRCULAR ON ECONOMIC CRIME PROBLEM

HK090616 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 7 Feb 86

[Text] The provincial Discipline Inspection Commission and the provincial Political and Legal Committee jointly issued a circular recently calling on party committees, discipline inspection commissions, and political and legal departments at all levels to conscientiously implement the relevant instructions of the CPC Central Committee; carry out the struggle to attack serious economic crime in an in-depth way; and promote the building of socialist spiritual and material civilization.

The circular pointed out that a prominent feature of serious economic crime in Guizhou at present is that cases of speculation and swindling have increased in number over the past. The activities of these speculators and swindlers have undermined economic reform and opening up; caused heavy losses to the state and collective; corrupted a number of party members and cadres; and consequently hindered the building of socialist modernization. Party committees at all levels should be aware of the seriousness and harm of economic crime and should take effective measures to attack speculation and swindling activities. To this end, the circular has set forth the following requirements:

First, party committees, discipline inspection commissions, and political and legal departments at all levels, should conscientiously study and implement the joint circular issued by the Central Discipline Inspection Commission and the Central Political and Legal Committee and should conduct education in lofty ideals, discipline, and the legal system among party members, cadres, and staff members. In accordance with the requirements of the circular, it is necessary to make an all-round inspection of the work in attacking economic crime at the previous stage; sum up the experience and lessons; clearly understand the characteristics and laws of economic criminal activities under the new situation; and carry out the struggle to attack economic crime in an in-depth manner.

Second, carefully investigate and handle speculation and swindling cases, and sternly attack the speculation and swindling activities. Party committees, discipline inspection commissions, and political and legal departments at all levels should properly arrange speculation and swindling cases according to their seriousness, handle the major cases one by one, and wind them up by the prescribed time. It is necessary to have the courage to tackle tough problems, deal with backdoor influence, and thoroughly investigate the cases. While dealing with the cases, we must abide by the laws and rely on evidence. The individuals who are checked and found to be true speculators and swindlers must be sternly punished. The units and individuals involved should also be seriously handled according to the seriousness of their cases. Party and government organs, enterprises, and institutions should carefully investigate economic criminal activities within themselves. Those who fail to handle cases and report them to the higher levels, and leading cadres of the party and government organs concerned, should bear the responsibility.

Third, certain companies and centers should be reorganized. "Briefcase" companies engaged in speculation and swindling must be banned. Cases of party and government organs and social organizations engaging in speculation and swindling in collaboration with enterprises and institutions must be thoroughly investigated. Individuals engaged in speculation and swindling as well as the organizers and those plotting behind the scenes should all bear legal responsibility.

Fourth, typical cases should be used to build up momentum. It is necessary to select typical cases and pronounce judgment in public so as to frighten the culprits and educate the broad ranks of cadres and masses.

Lastly, the provincial Discipline Inspection Commission and the provincial Political and Legal Committee circular called on party committees, discipline inspection commissions, and political and legal departments at all levels to take a clear-cut stand, be resolute, work meticulously, and strike surely, accurately, and relentlessly at speculation and swindling activities.

XIZANG SPONSORS TRADE FAIR IN HONG KONG

HK080441 Lhasa Xizang Regional Service in Mandarin 1130 GMT 5 Feb 86

[Excerpts] To implement the policy of opening to the outside world, as formulated by the central authorities, and to promote our region's economic development, the Xizang Regional Hong Kong Economic Investigation Group headed by Doje Cering, acting chairman of the regional people's government, with Mao Rubai, chairman of the regional Foreign Economic Relations and Trade Promotion Committee, as its deputy head, has sponsored a foreign economic relations and trade fair in Hong Kong. Local livestock products, forest products, mineral products, light and textile industrial products, Chinese medicinal herbs, and traditional exquisite nationality handicraft articles of Xizang were of interest to many tourists and spectators.

The fair was attended by some 9,000 people. The regional economic investigation group met with representatives from 379 firms and signed 17 contracts for exports. The volume of business reached $1.73 million. The group signed 22 letters of intent on economic contracts involving 15 items.

After successfully completing its economic investigation and talks on economic relations and trade in Hong Kong, the regional economic investigation group returned to Lhasa on 4 February. Gyanincain Norbu, deputy secretary of the regional CPC Committee; Tudao Doje and Gong Daxi, vice chairmen of the regional people's government; and responsible comrades of departments and bureaus concerned went to the airport to welcome the group home.

YUNAN PARTY LEADER'S FESTIVAL VISIT TO COAL MINERS

HK080629 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 5 Feb 86

[Excerpt] Pu Chaozhu, secretary of the provincial CPC Committee, paid a comfort visit to cadres, technicians, and workers of the Fuyuan County (Gongsuo) coal mine this afternoon. He extended season's greetings.

At 1400, Comrade Pu Chaozhu drove to the coal mine in spite of the cold wind. He chatted with representative cadres, technicians, and workers. After listening to their views on enterprise consolidation, economic structural reform, and production at the mine, he talked with those representatives who sat next to him. He asked them about their family lives and the food supply situation on the eve of the Spring Festival.

Pu Chaozhu said: Coal mines are one of the main elements in our national economy. The province's coal production developed significantly in 1985, thereby contributing to the state's four modernizations. You have all assisted in this effort. Therefore, you all have made contributions. The Spring Festival has arrived, but you continue to stand fast and work hard at your posts. Therefore, on behalf of the provincial CPC Committee and the provincial government, I express thanks to each of you and wish you a happy Spring Festival. I hope you will continue this year to do well in reform, strengthen management, make progress through technology, and invigorate your enterprise. At the same time, I hope you will give play to the advantages of large state enterprise, strengthen the extensive economic and technological links with local coal producers, lead local peasants on the road to prosperity, and strive to make greater contributions for the four modernizations.

Comrade Pu Chaozhu also met yesterday morning with some leading comrades of Qujing Prefecture and Fuyuan County. Responsible comrades of the county CPC Committee and government reported on last year's production and this year's plans.

DENG XIAOPING REMARKS ON ZHOU ERFU CASE CITED

HK120358 Hong Kong TA KUNG PAO in Chinese 12 Feb 86 p 1

["Special Dispatch" from Beijing: "Deng Xiaoping on Stopping Unhealthy Trends, Reprimands Zhou Erfu for Impairing National Dignity at Political Meeting"]

[Text] Beijing, 11 Feb -- Zhou Erfu, vice president of the Chinese People's Association for Friendship With Foreign Countries, who compromised national dignity and personal integrity during his visit to Japan, has been relieved of all duties and expelled from the party. Zhou Erfu was the first cadre at the ministerial level subjected to such punishment at the current campaign to rectify party style.

Zhou Erfu acted as the head of a Chinese People's Association for Friendship With Foreign Countries delegation on a visit to Japan. During his stay in Japan, ignoring the advice of the PRC Embassy there, he visited the Yasukuni Shrine dedicated to Japanese war dead. At the hotel where he stayed, he also watched pornographic videotapes. He invited a young female interpreter to interpret things for him, but was rejected. Another report also described Zhou Erfu's other misbehavior during his stay in Japan.

It was learned that at a Political Bureau meeting on 17 January, Central Advisory Commission Chairman Deng Xiaoping, referring to Zhou Erfu by name, said that the latter had "compromised national dignity and personal integrity." At the meeting, Deng Xiaoping also said that cases that should be judged and acted upon immediately. The main points of a case should be looked into. Once things were made clear, action should be taken without delay. Any delay or relaxation cannot help us in effectively rectifying unhealthy trends. Not long after the Political Bureau meeting, Zhou Erfu was dismissed from office.

A report said that at present, individual cadres at the ministerial level are under investigation.

CHENG MING ON DENG LIQUN'S ACTIVITIES, STATUS

HK090505 Hong Kong CHENG MING in Chinese No 100 1 Feb 86 pp 67-68

[Article by Chung Wang-shu: "Away With Deng Liqun" -- capitalized passages published in boldface]

[Text] UNCEASINGLY CURSE THE REFORMERS

According to what we heard recently from the Chinese mainland, at a meeting held in Wuhan last November, Deng Liqun, who was dismissed from the post of director of the CPC Central Committee Propaganda Department not long ago, poured a stream of abuse on the reformers and wantonly peddled his "doctrine that political and ideological work is universally applicable" by taking advantage of the opportunity when the CPC once again stressed the importance of political and ideological work because of recent student riots and worker strikes. What is more surprising is that he openly attacked Liu Binyan, Hu Jiwei, and Wang Ruowang by name in the presence of a number of the CPC senior enterprise cadres. Furthermore, on the occasion, Li Honglin, who Deng Liqun got into trouble but who has now jumped out of his hand and transferred to Fujian, was also lashed by the ousted minister. He criticized Liu Binyan's stand for "freedom of artistic creation" and stuck the label of "lack of party spirit" on Hu Jiwei. Deng described Wang Ruowang's proposition that "we should import not only advanced technology but also other advanced things" as nothing but heresy. He also flared up because Li Honglin "refused to acknowledge his mistakes" and a certain publishing house boldly "collected and published his erroneous views on public affairs."

In a word, Deng Liqun entertains feelings against anti-extreme-leftist heroes "who were not beaten down and stepped on" in the drive against spiritual pollution and is full of grievances against the premature end of the "anti-pollution" drive," which he played up 2 years ago. Actually he is full of resentment because he was relieved of his post by the highest CPC authorities. Deng Liqun intends to reverse the correct decision already made and launch an offensive. He wants to launch a last punitive expedition against the reformers with what power he still has.

However, it is a pity that in the land of China, stabbed and wounded by numerous political campaigns in the past several decades, people are highly sensitive to any political reaction. A mere rumor may often stir up a great disturbance, much less a member of the CPC Central Committee Secretariat spouting a stream of empty rhetoric. The speech of the ex-minister immediately spread through all the intellectual circles of the country. In the twinkling of any eye, black clouds appeared again and the waters were muddied. Everybody was panic-stricken by the alarmist talk. It seemed that the "anti-pollution drive" might stage a comback. However, all in all, times have changed and the past is not the same as the present. What we have learned from the mainland indicates that in China today, Deng Liqun and his ilk can hardly stir up trouble by a speech. The outsed minister is no longer what he was. His recent hoarse and exhausted speech used attack as a means of defense. He fought with his back to the wall and made a last ditch fight. What he did recently was nothing but an epilogue to the unsuccessful "anti-pollution drive." He is not reconciled to "stepping down from the stage of history" before he finishes the last part of the drama. In order to see what Deng Liqun and his ilk take to heart, we must bring up old scores of the "anti-pollution drive" launched 2 years ago.

VAINLY ATTEMPT TO LAUNCH ANOTHER "ANTI-POLLUTION" DRIVE

Between the summer and autumn of 1983, Deng Liqun, who held the power of that CPC Central Committee Propaganda Department in his hands, was the first to adopt the slogan of "clearing away spiritual pollution" just as some senior CPC leaders went abroad. He fanned the flames everywhere by writing articles and delivering speeches. Consequently, Deng Xiaoping had to nod in approval at the closing ceremony of the CPC plenary session. As a result, this minister went all out by holding the "imperial sword," as if he had found a treasure. In no time, the "anti-pollution drive" swept throughout the country . Many extreme leftists who had ceased all activities since the 3d Plenary Session of the 11th CPC Central Committee, became active again and made use of the drive to attack people without restraint. The divine land was immediately covered with sadness and misery. Girls dared not put on make-up or wear colorful clothes; there were no dancing parties any longer; and soldiers handed out pictures of their fiancees in order to show that they were pure in heart. Furthermore, a female correspondent of a newspaper office was refused admittance to a unit to perform her duty just because she wore her hair down to her shoulders. (The incident spread through the journalist circles in Beijing as ridicule for a time.) Moreover, a newspaper office even published an editorial entitled "Crack Down on the Criminal Activities of Spiritual Pollution." It raised "spiritual pollution" to the higher plane of crimes, with the result that CPC officials shuddered hearing of it.

Just when Deng Liqun was pushing the "anti-pollution" drive to a climax in high spirit, the voice of opposition gradually resounded from the higher levels to the grass roots and both at home and abroad. The common people of China and the majority of the CPC cadres, who had suffered untold tribulations in political campaigns, were all discontented with the "anti-pollution" drive and feared that this might be the sign of another Cultural Revolution. The senior CPC leaders working for economic development also realized that the situation was grave.

At a meeting of the Army, Yu Qiuli first said that "the question of spiritual pollution should not be raised in the Army." Then Bo Yibo said so in economic departments. Wan Li suggested that no "anti-pollution drive" was to be launched in the countryside, and Wang Zhaoguo said that the question of "spiritual pollution" should not be put forward in the CYL organizations. Before long, Deng Liqun retreated in defeat again and again and the spots where he was able to stir up trouble crumbled one after another. Since then, RENMIN RIBAO, which had persisted in criticizing the leftist ideology for a long time and against which Deng Liqun nursed a hatred (he hated it because it did not accept his assignments), carried editorials one after another in an attempt to dampen the atmosphere and to lower the temperature. These editorials became a barometer for Western correspondents to observe the short-lived political campaign. Amid the voice of opposition inside and outside the party and at home and abroad, top CPC leader Deng Xiaoping finally made a statement, putting the brakes on the drive and criticizing those who are infatuated with political campaigns within the party. Consequently, Deng Liqun was totally beaten in the contest. However, in order to "protect cadres," the CPC did not discharge him from his post at once, though rumors about his dismissal were spread abroad time and again.

LIU BINYAN AND LI HONGLIN -- THORNS IN HIS FLESH

Time zipped by and 2 years were soon over. The world remains as it was but some people were "removed" from office. Deng Liqun was at last "dismissed" from his post from which he was reluctant to part. We can therefore imagine what his personal "feelings" were. So he used every possible means to vent his personal "feelings." From the people whom he attacked by name, we can have a clear knowledge of his ulterior motives.

After the "gang of four" was smashed in October 1976, China hesitated at the crossroads in the political aspect for a short time. In the drive of ideological emancipation, RENMIN RIBAO was in the vanguard in setting things to rights boldly and resolutely and its contributions were commendable. During that time, those who ruled the roost of the newspaper were the celebrated Hu Jiwei and his right-hand man, Wang Ruowang, who was in charge of the theoretical page of the newspaper. In the "anti-pollution drive," Deng Liqun draped himself in the flag to impress people and finally forced Hu and Wang, with whom he had been discontented for a long time, to quit their posts of director and deputy chief editor of RENMIN RIBAO on the excuse that Hu's views concerning "party spirit and the affinity to the people of newspapers" and Wang's theory regarding "alienation" were all involved with "spiritual pollution." Hu and Wang were relieved of their posts, but their influence remained. What Deng Liqun advocated was hard to carry out in the RENMIN RIBAO office. Moreover, the well-known writer, Liu Binyan, was also a thorn in Minister Deng's flesh. Liu worked for RENMIN RIBAO concurrently, he went hither and thither to get to know the people, exposed venal officials and eulogized heroes and fighters. That is why Deng Liqun hated him so much that he could not be happy with anything less than his removal from office. When he was correspondent of ZHONGGUO QINGNIAN BAO, Liu Binyan and Hu Yaobang, who was then secretary of the Central CYL, were on very good terms. After Hu became head of the CPC Central Committee Organization Department after the Cultural Revolution, he made endless efforts to protect Liu. Were it not for that, Liu Binyan and others would have been removed from office.

Li Honglin was once a junior official who was completely under the control of Minister Deng. However, after the Cultural Revolution, nothing could daunt people. The junior official flatly refused to kowtow to Minister Deng. He even argued with the minister in a form of "making a self-criticism" at the height of the "anti-pollution" drive. After the drive came to a premature end, he made his argument with the minister known to the public by pushing a collection of his views entitled "A Theoretical Storm."

Publication of the book, no doubt, made the minister (though he had already been thrown out) fly into a rage. This is why he attacked his former subordinate at the recent meeting.

A BLACK SHEEP IN THE CPC CENTRAL COMMITTEE SECRETARIAT

Seeing that Deng Liqun "lost his temper" at the recent meeting, we would like to ask him a question. At a time when China is striving to fulfill the major tasks of opening to the world, eliminating age-old malpractices, mopping up extreme leftists, and building the four modernizations, what on earth does Deng Liqun want to do -- play a positive or negative role?

Like most of the CPC officials in the cultural revolution, Deng Liqun was also attacked and knocked down. However, after the Cultural Revolution, he brushed the dust off his pants and stood up again on the strength of the people opposing extreme leftists and by virtue of the blood shed by numerous ardent youths (for example, those who shed blood in the April 5 Tiananmen incident). Then he rose steeply by a lucky coincidence and even climbed to the throne of head of the CPC Central Committee Propaganda Department. However, after he climbed to power, he immediately went all out to get rid of those who had rendered outstanding service but held different views from him. He imitated the practice of the "gang of four" that "those who attack me are wrong, but I am correct when I attack you." Meanwhile, he also attempted to restore the extreme leftist line by means of the "anti-pollution drive."

The surprising move by Deng Liqun at the recent meeting also reminds us to ask him another question. As the ousted head of the CPC Central Committee Propaganda Department and the member of its Secretariat who is no longer [as published] in charge of propaganda work, why does Deng Liqun have the right to attack by name the chairman of the All-China Journalists Association and member of the NPC Legislative Affairs Commission? Why does he have the right to attack by name a well-known writer who enjoys a great reputation at home and abroad and is the vice chairman of the Chinese Writers Association? Deng Liqun always puts pressure on others to pay attention to "party spirit" and the "party's organizational discipline." However, may we ask where his "party spirit" and "organizational discipline," were when he attacked some people by name behind their backs and without collective discussions?

All this shows that Deng Liqun is a black sheep in the CPC Central Committee Secretariat. At a time when the CPC is striving to promote the modernization program and create the image of an enlightened reformer at home and abroad, it should avoid all the pernicious influences of extreme leftists like a tiger, and keep at a distance from all extreme views for sowing discord and damaging unity as if they were the plague. For this reason, the highest CPC authorities should ask the ex-minister who likes to stir up trouble to withdraw from the CPC Central Committee Secratariat.

FBIS DAILY REPORT

China

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VIETNAMESE SLANDER, ATTACKS CONDEMNED TO UN

OW122327 Beijing XINHUA Domestic Service in Chinese 1640 GMT 12 Feb 86

[Text] United Nations, 12 Feb (XINHUA) -- A memorandum of the Chinese Foreign Ministry, made public today at the United Nations, sternly condemns the Vietnamese authorities' wanton acts in invading Cambodia and opposing China. The memorandum also refutes their slanders and attacks against China.

On the afternoon of 11 February, Li Luye, Chinese permament representative to the United Nations, sent a letter to UN Secretary General Javier Peres de Cuellar, requesting the distribution of this memorandum entitled "Memorandum on Questions of Stepped-up Aggression Against Cambodia and the Creation of Tension Along the Sino-Vietnamese Border by the Vietnamese Authorities." The memorandum was distributed today as a document of the UN General Assembly and the Security Council.

The memorandum points out: Recently, the Vietnamese authorities proclaimed their intention to improve Sino-Vietnamese relations, at the same time setting their propaganda machine in full motion against China. In the UN General Assembly they have disseminated the so-called "Communique of the Committee for Investigation of Anti-Vietnamese War Crimes of Chinese Expansionists and Hegemonists," which leaves no stone unturned in slandering and attacking China, and accusing China of crimes of aggression and expansion.

The memorandum points out: During the past 7 years, the Vietnamese authorities have mobilized 200,000 troops to invade and occupy Cambodia, brutally trampled the independence and sovereignty of Democratic Kampuchea, pushed neo-colonialism in occupied areas, and on many occasions, intruded into Thai territory, posing a serious threat to peace in the entire Southeast Asian region.

[Beijing XINHUA in English at 1314 GMT on 12 February 86, in a similar report, renders the previous paragraph... "For seven years now, the memorandum said, 'the Vietnamese aggressor troops have been engaged in wanton attacks and mopping-up operations against the patriotic resistance forces in Kampuchea, brutally massacring innocent Kampuchean civilians and committing heinous crimes against the Kampuchean people. Pushing a policy of neo-colonialism in Kampuchean areas under their occupation, the Vietnamese authorities are systematically emigrating large number of Vietnamese into Kampuchean territories in an attempt to Vietnamize Kampuchea,' it said."]

The Vietnamese authorities have totally disregarded [the XINHUA English item adds at this point... "rejected and vilified"...] the just calls of the international community and the resolutions adopted by the UN General Assembly urging the withdrawal of Vietnamese troops from Cambodia. Their so-called "negotiations" and "troop withdrawal" are nothing but deceptive talk. "Perpetuating their occupation and control of Cambodia is their real intention."

[The XINHUA English item adds at this point... "Recently, the memo points out, the Vietnamese authorities have clamorously repeated that they will definitely not pull out their troops by 1990 if their demands, which are unjustifiable, are not met, and that even after 1990, they will not necessarily withdraw their troops unless their puppet troops have become strong enough by then."]

The memorandum says: "China consistently upholds justice, resolutely opposes any hegemonist practice, and strives to safeguard regional and world peace. As a friendly neighbor of Democratic Kampuchea, we join the ASEAN countries and the majority of UN member states in supporting the Cambodian people's struggle against aggression and strongly demanding the immediate withdrawal of all the Vietnamese aggressor troops from Cambodia.

"This is entirely just. The slanders and attacks hurled by the Vietnamese authorities against China on the Cambodian issue are to no avail."

Referring to the Vietnamese authorities' wanton acts against China, the memorandum states: "For a long time, the Vietnamese authorities have pursued an anti-China policy as their national policy and created armed conflicts along the Sino-Vietnamese border as their major anti-China trick. According to incomplete statistics, from April 1979 to the end of 1985, Vietnamese troops committed armed provocations and intrusions on more than 10,000 occasions along the Sino-Vietnamese border. They constantly fired and shelled areas within China's Yunnan and Guangxi, killing and injuring many Chinese border residents and disrupting the tranquil state of China's southern territory. As a result, the Chinese residents in these border areas can neither carry on their normal production nor lead normal lives. "In the past year the Vietnamese troops' provocative activities have increased rather than ceased. They have constantly carried out large-scale shelling of Malipo, Hekou, and Jinping Counties in China's Yunnan Province and Longzhou, Napo, Fangcheng, and Ningping Counties in Guangxi Zhuang Autonomous Region, firing nearly 500,000 shells of one kind or another and killing or wounding over 10,000 Chinese residents living in the border areas." "They made ceaseless efforts to send out ground troops of company or platoon size or even of battalion or regimental size to attack China's border defense posts in Laoshan, Yunnan, and in other areas on as many as 1,000 occasions in a year. Such a large number of attacks in a single year has been unprecedented since 1979." "Currently, the Vietnamese authorities are still sending more troops to the Sino-Vietnamese border so as to provoke new military conflicts."

The memorandum continues: "Numerous facts show that the tension along the Sino-Vietnamese border has been the sole making of the Vietnamese authorities." "In the face of the Vietnamese troops' wanton provocations and driven beyond forbearance, the Chinese frontier guards have naturally fought back forcefully. This is entirely an act of self-defense under compelling circumstances and an exercise of their sacred right."

In conclusion, the memorandum states: "We treasure highly the traditional friendship between the Chinese and Vietnamese peoples and hope that the Vietnamese authorities will become aware of their errors and mend their ways by immediately withdrawing all their aggressor troops from Cambodia and halting all provocations against China, creating conditions for a fair and reasonable settlement of the Cambodian issue, for the normalization of Sino-Vietnamese relations, and for the restoration of peace and stability in Southeast Asia."

BAN YUE TAN ON PROSPECTS FOR U.S.-SOVIET RELATIONS

HK090651 Beijing BAN YUE TAN in Chinese No 1, 10 Jan 86 pp 28-30

[Article by Peng Di, XINHUA commentator and former chief XINHUA correspondent in Washington: "The Prospects for U.S.-Soviet Relations"]

[Text] Editor's note: The building of the four modernizations needs a prolonged peaceful international environment. At the start of the new year, people will naturally be anxious to know what development and changes will take place in the international situation. Our editorial department specially invited Comrade Peng Di, Comrade Yu Mingshen, Comrade Yu Hang, and Comrade Luo Zhaohong to write articles on the prospects for U.S.-Soviet relations, the situation in world "hot spots," North-South relations, and trends in the development of the world economy. This group of articles will help us to understand and observe the world situation. [end of editor's note]

The old year has passed and the new year has come. At a time when the new replaces the old, U.S.-Soviet relations have shown some improvement. Last November, the heads of state of the two countries met in Geneva. Since then, the summit quarrel has turned into summit dialogue, and U.S.-Soviet economic and cultural relations have begun to improve. This change in their bilateral relations has been welcomed by the people of the whole world.

People hope that the two superpowers will continue to ease the tension between them and walk on the road of peace by first reducing their arms, especially nuclear arms, and softening their regional confrontations and trying to reach substantive agreements on some major issues, especially on their contention over the hot spots, in order to reduce their bipolar confrontations and prevent a new world war.

At the same time, people are also worried: The U.S.-Soviet confrontation has been serious for decades and such little easing of the atmosphere will not be enough for the overall relaxation of the tension between the two superpowers.

This worry cannot be called unreasonable. As far as strategic nuclear weapons are concerned, the United States has in all more than 1,800 instruments for delivering nuclear bombs, whereas the Soviet Union has in all more than 2,500 such instruments. Each of them respectively have over 10,000 nuclear warheads. They aim these nuclear weapons at each other 24 hours a day. A single mistake or a minor incident could cause a war. When that time comes, not only will the nuclear weapons "totally destroy" the two superpowers from the ground, the sea, and the sky, but the nuclear pollution will also harm other countries in the world. This cruel reality has not been changed. Even since last year's U.S.-Soviet summit talks, there has been a continued expansion of the nuclear arms race between the two superpowers, and this expansion is expected to develop into space.

The language of the two superpowers has less in common on the issue of regional contention. The two superpowers have concentrated their best troops and most advanced weapons in Eastern Europe and Western Europe respectively. Their troops now stand in combat readiness and a single conflict could cause a full-scale war. There are hot spots of contention in Southeast Asia, Northeast Asia, the Middle and Near East, and Central and South America. The partial wars conducted by the two superpowers have never ceased.

Although the tone of the verbal struggle between the two leaders has softened a little, the leaders of both countries were still hostile to each other even during and after their summit talks. And there is always a sting in their remarks to each other. One side accuses the other of militarism, while the second accuses the first of expansionism. Both sides have simultaneously said: "We don't cherish illusions about you" to each other. Both sides have unanimously stressed that, because of fundamental differences between them, they can only continuously contend with each other in the future. There is still a long way to go before their differences are finally solved. It seems that it is really difficult to break the solid ice between them.

However, is it true that, except for the improved atmosphere in U.S.-Soviet relations, it is impossible for the two superpowers to reach agreements on some major and substantive issues? It is too pessimistic to think like this, becuase times have changed.

First, although only the two superpowers are qualified to start a world war, they cannot arbitrarily do things according to their own will because it is a matter concerning all the people in the world. The people of the whole world, the Third World countries, and all the other countries in the world, including the military allies of both the United States and the Soviet Union, are all strongly against war.

The war forces are actually surrounded by the forces of peace. So each military deployment or each step toward arms expansion has met with increasingly strong opposition and resistance. The people's struggle against foreign oppression and intervention in Cambodia, Afghanistan, and the Third World and the mass antiwar movement in Western Europe and North America echo each other at a distance and form a great wall of peace that the forces of war cannot surmount. At present, all the countries in the world are demanding that the two superpowers adopt an attitude of restraint and be no enemies of peace.

Second, nowadays, the development of nuclear weapons has changed people's traditional concepts of war. For example, past wars could end with one side the victor, but present wars can only end with both sides suffering. In the past, at the beginning of a war, big countries like the United States and the Soviet Union could still win some time for preparations, but modern wars have changed the traditional concepts of space and time, so the United States and the Soviet Union, including their capitals, could become the battlefront of a nuclear war immediately after a war breaks out. The leaders of the United States and the Soviet Union have said that they "unanimously agree that neither of them could win a nuclear war, so they should never fight a nuclear war." Their remarks reflect the actual situation and are not diplomatic language.

Under such objective and subjective circumstances, the leaders of the United States and the Soviet Union are expected to take into consideration the common aspirations of people throughout the world, the uncertain future of the nuclear arms race, and the serious consequences of a nuclear war, and strive harder to reach agreements on some major and substantive issues. As I have said before, because of the antagonism between the interests of both sides and the deep chasm between them, there will be a long and complicated struggle between the two superpowers. For instance, both sides have agreed in principle to reduce their respective nuclear arms by 50 percent. But, because both sides fear that they would destroy their present balance, no one knows how many complicated negotiations it will take for an agreement in practice to be realized. Even when they have reduced their nuclear arms by 50 percent, they will still have more than enough weapons to destroy each other. It will be more difficult for the two superpowers to reach agreement on regional confrontations, because they each have gains and losses in these areas. And, for the time being, regional confrontations have not directly or immediately affected their respective safety. Of course, it would be another question if major internal changes took place in some regions. For example, if the Arab countries and the Palestinian people can further strengthen their unity and coordination and eliminate foreign intervention, a Middle East peace agreement would probably be reached, and the superpowers would have no way to obstruct the Middle East peace process.

In a word, that the United States and the Soviet Union have begun their dialogue is a good beginning, but it is also the beginning of a long process. So the people of the world cannot relax their vigilance. Demanding peace is the right of the people of all countries. Stopping the arms race, especially conscientiously reducing and then thoroughly destroying all nuclear weapons, is primarily the responsibility of the superpowers. All countries fighting for peace can obstruct plans for a war from various aspects, continue to exert influence and pressure on the superpowers, and try to make them not only hold talks but also take actual steps toward agreements which not only do not harm the interests of other countries but are also beneficial to world peace.

REAGAN 'CONCERNED' OVER SITUATION IN PHILIPPINES

OW121111 Beijing XINHUA in English 0928 GMT 12 Feb 86

[Text] Washington, February 11 (XINHUA) -- President Ronald Reagan repeatedly avoided comment tonight on the election in the Philippines but said his country is "concerned about the violence that was evident there and the possibility of fraud." In a press conference at the White House, Reagan said he will not comment officially until the counting of votes has finally been completed in the Philippines. "We are neutral. And then we hope to have the same relationship with the people of the Philippines that we have had for all these historic years," the President said. Reagan said violence and fraud could have been occurring "on both sides". However, he added that the United States is "encouraged by the fact that it is evident that there is a two-party system in the Philippines and a pluralism that I think would benefit their people. And we are glad to see that particular thing happen and we'll wait until we hear the outcome."

The election in the Philippines has caused concern here in the past few days. The United States sent a group of observers headed by Senator Richard Lugar, who has just returned with reports that they witnessed fraud and violence by backers of President Ferdinand Marcos. U.S. press and television networks have carried widespread reports of such fraud. Supporters of Corazon Aquino today braved heavy snow to hold a demonstration at the square opposite the White House to voice their support. Asked on whether the two U.S. bases in the Philippines are of paramount importance when he considers U.S. policy, Reagan said: "One cannot minimize the importance of those bases, not only to us, but to the Western world and certainly to the Philippines themselves." He added: "I don't know of anything that's more important than the bases on the Philippines." Asked whether "an unprecedented fraud" would be accepted by the U.S., Reagan replied "no", adding that this is the election of the Filipino people and "we'll wait and see what the final count determines." Reagan said he would send retired diplomat Philip Habib to the Philippines to meet political, church and other leaders in an effort to assess the desires and needs of the people.

Lugar Comments

OW121154 Beijing XINHUA in English 1140 GMT 12 Feb 86

[Text] Washington, February 11 (XINHUA) -- U.S. Senator Richard Lugar, leader of the U.S. observation delegation with returned from the Philippines Monday, asked President Ronald Reagan today to remain neutral in the Philippine presidential election, press reports said here today. After reporting to President Reagan for 35 minutes, the senator told reporters that "nobody has won" in the Philippine election. "That is important for the President to recognize the election is not over," he added. "I advised everybody the process goes on and it is in our interest for it to go on."

The Senate Foreign Relations Committee chairman also said there were irregularities and fraud in the election. But he added: "the question at this point is whether it is retail, was it wholesale, was it of the magnitude that the election results, the will of the people, might be frustrated." He noted the count was controlled by officials under President Ferdinand Marcos. "That is the government and it was great power." Lugar said his 20-member delegation was careful not to pass a quick judgment that the election was invalidated by government abuses, thereby giving Marcos an excuse to throw out the results and stay in office. "We were not going to give him (Marcos) that option," the Indiana Republican told a news conference shortly after reporting to Reagan at the White House. "Our advice, I think, to everybody -- the government or the opposition -- would be to count fair and square," he said. "There is still that ability to handle that."

LAST EXPATRIATE RUSSIAN SHANGHAI RESIDENT LEAVES

HK121428 Hong Kong AFP in English 1406 GMT 12 Feb 86

[Text] Hong Kong, Feb 12 (AFP) -- The last Russian resident of Shanghai has left the mainland after nearly a lifetime spent in China, including 15 years in a Shanghai prison, and is here en route to Australia, it was reported here today.

Sergei Ivanovich Kostrometinoff, 77, a former freelance writer for the Hong Kong-based weekly FAR EASTERN ECONOMIC REVIEW, plans to leave for Australia later this month where he will settle under an Australian programme offering refuge to Russians exiled in China, the REVIEW said in its latest issue.

Born in China to Russian parents, Mr Kostrometinoff worked as a journalist, translator and interpreter until he was sent to prison without trial in 1967 at the height of China's tumultuous Cultural Revolution, the REVIEW said. Mr Kostrometinoff spent eight years in jail before he was put on trial and convicted of spying for so-called "Soviet revisionists" in 1975. He was kept in prison another seven years until his release in 1982, the REVIEW said, adding that Mr Kostrometinoff then stayed in Shanghai to await cash compensation given to victims of the Cultural Revolution and which had been promised him by the Chinese authorities.

But when he learned last week that he was not entitled to any reparation because he had been self-employed, Mr Kostrometinoff, who had obtained a new Soviet-issued passport, decided to leave China, the REVIEW said. "In spite of his hardships, he is not bitter," said the REVIEW which quoted him as saying: "The people in charge in China today are the same people who suffered as I did, even worse, during and after the Cultural Revolution."

Mr Kostrometinoff plans to visit his son and daughter in Moscow after settling down in Australia, the REVIEW added.

DPRK'S NODONG SINMUN CALLS FOR COMBAT READINESS

OW121001 Beijing XINHUA Domestic Service in Chinese 0751 GMT 12 Feb 86

[Text] Pyongyang, 12 Feb (XINHUA) -- Korea's NODONG SINMUN published an editorial on 12 Febraury, calling on the Korean People's Army and all Korean people to resolutely execute the order of the supreme commander of the Korean People's Army on maintaining combat readiness and closely watching the development of the joint military exercise staged by the U.S. and South Korean authorities in order to firmly safeguard the socialist motherland.

The editorial said: The U.S. and South Korean authorities have deployed massive troops near the DMZ and staged a large-scale joint military exercise, posing a direct threat to North Korea. Officers and soldiers of the People's Army and all Korean people should maintain high vigilance. The editorial also called on South Korean people to rise up to oppose the joint military exercise staged by the U.S. and South Korean authorities.

Kim Il-song, supreme commander of the Korean People's Army, issued an order on 10 February, urging the People's Army and all Korean people to maintain combat readiness in order to counter the "Team Spirit-86" joint military exercise of the United States and South Korea, which began on 10 February.

DPRK EMBASSY IN BEIJING CONDEMNS EXERCISES

OW130846 Beijing XINHUA in English 0828 GMT 13 Feb 86

[Text] Beijing, February 13 (XINHUA) -- Kim Chang-kyu, charge d'affaires ad interim of the Embassy of the Democratic People's Republic of Korea, today denounced the on-going U.S.-South Korea joint military exercises. At a press conference he gave at the embassy this morning, Kim said the "Team Spirit-86" military exercises, begun on February 10, damaged the peaceful atmosphere on the Korean peninsula. It was a barbarious act trampling on the peace in Asia and the world as a whole, he added.

KCNA ON SR-71 INTRUSIONS INTO DPRK AIRSPACE

OW121818 Beijing XINHUA in English 1456 GMT 12 Feb 86

[Text] Pyongyang, February 12 (XINHUA) -- A U.S. high-speed, high-altitude reconnaissance plane, identified as an SR-71 intruded into Korean airspace twice today, the KOREAN CENTRAL NEWS AGENCY reported. A similar U.S. plane also intruded into airspace over the Korean coastal waters yesterday, the KCNA said.

Early on February 10, the United States and South Korea began major joint military exercises, code named "Team Spirit-86." Since exercises began, the U.S. has intensified its reconnaissance in Korean airspace, the KCNA said.

XINHUA CANCELS ITEM ON POSSIBLE CGDK-SRV TALKS

OW130309 Beijing XINHUA Domestic Service in Chinese 0137 GMT 13 Feb 86

[Beijing XINHUA Domestic Service in Chinese at 0202 GMT on 13 February carries a public notice canceling the following item from the "Important International News Briefs"]

[Text] Beijing, 13 Feb (XINHUA) -- According to a 13 February broadcast of the Democratic Kampuchean radio, the Coalition Government of Democratic Kampuchea [CGDK] on 8 February issued a statement saying that, in the spirit of relevant resolutions of the UN General Assembly and the declaration of the international conference on the Cambodian issue, the CGDK is prepared and willing to hold direct or indirect talks with Vietnam at any time in order to settle completely the Cambodian issue.

The statement pointed out that the talks should adhere to the principles of withdrawal of foreign troops from Cambodia, supervision by the United Nations, national concord, and holding elections under the supervision of the United Nations, so that the Cambodian people can decide their own destiny. The CGDK also held that the withdrawal of Vietnamese troops from Cambodia is the key to the settlement of the Cambodian issue.

VIETNAMESE BOOBY TRAPS KILL, WOUND 92 THAI

OW121806 Beijing XINHUA in English 1443 GMT 12 Feb 86

[Text] Bangkok, February 12 (XINHUA) -- Vietnamese-planted booby traps (wooden land mines) along the Thai-Kampuchean border have killed or wounded 92 Thai soldiers and civilians since last October, THE NATIONAL REVIEW reported today. Of the 92 victims, a spokesman of the operation center of the Thai Army announced, 53 are officers, 11 of them killed and 42 seriously wounded.

Since the current dry season which began last October, the Vietnamese have planted thousands of booby traps on either side of the 806-kilometer long Thai-Kampuchean border. Many booby traps were planted hundred meters deep inside Thai soil, posing a serious threat to Thai military personnel and civilians in border areas. It was reported that the Soviet Union has provided 100,000 booby traps for the Vietnamese troops in Kampuchea.

BEIJING TAGALOG: REAGAN STATEMENT ON ELECTIONS

HK130301 Beijing International Service in Tagalog 1130 GMT 12 Feb 86

[Text] In Washington, the U.S. Government has called on the two opponents in the recent Philippine presidential election to work together and set up a viable government that would institute political, economic, and military reforms. Prior to this, President Ronald Reagan told reporters that his government is encouraging the Marcos and Aquino camps to join hands in order to create a stable government once the election returns are completed. A senior U.S. official said that the United States has a strong and stable Filipino ally in the Pacific but he did not comment on the election results.

Aquino Displeased

OW121335 Beijing XINHUA in English 1245 GMT 12 Feb 86

[Text] Manila, February 12 (XINHUA) -- Philippine opposition presidential candidate Corazon Aquino this afternoon asked U.S. President Reagan "to make additional enquiries" before making further comments on this country's February 7 snap elections. She made this remark at a press conference in response to President Reagan's national press conference yesterday in the U.S.

Reagan said in his statement that the Philippine election showed there is a "strong two-party system." He called on both sides to abide by the outcome and work together for reforms. He also declared he found disturbing reports of fraud in the elections and was sending veteran diplomatic trouble-shooter Philip Habib to the Philippines.

Corazon [Aquino] showed her discontent about what she called "a position of neutrality" taken by Reagan. She said that she had actually scored at least 25 percent majority of votes in the poll. She said she was alarmed by Reagan's suggestion that there may have been fraud on both sides while Reagan's own observers said they had only seen it on one side. As to Reagan's decision of sending Philip Habib to the Philippines to help reconcile the opposing sides, Corazon said the Filipinos welcomed Habib's visit. However, she added, that Habib's last task for Reagan was trying to negotiate an end to Lebanon's civil war. She hoped neither Reagan nor Marcos is expecting to see the Philippine go the same way.

Envoy Criticizes Western Media

OW121822 Beijing XINHUA in English 1607 GMT 12 Feb 86

[Text] Dhaka, February 12 (XINHUA) -- The Philippine Ambassador in Bangladesh Reynaldo O. Arcilla today criticized Western media for spreading alarming reports of "civil strife or civil war" in Manila. The ambassador at a press conference here this afternoon said that there is "absolutely no basis" for such reports.

Western media reports which appeared in local press said that tanks and troops were deployed around the presidential palace and the parliament building in Manila, indicating the possibility of the outbreak of violence. The ambassador denied the press reports. He said if the foreign mediamen had any evidence on the deployment, they could come out with photographs as they were allowed to cover the polls there freely. The ambassador also criticized the Western media for giving "fabricated" stories when President Marcos wanted to restore the country's relations with the United States "on clear terms". He said the Marcos administration earlier allowed the United States to keep its military bases in the Philippines till 1991.

MORE DRUGS SEIZED IN HONG KONG IN 1985

OW121814 Beijing XINHUA in English 1449 GMT 12 Feb 86

[Text] Hong Kong, February 12 (XINHUA) -- Hong Kong's customs and excise department seized 315 kilograms of drugs in 1985, six percent more than in 1984, assistant commissioner of customs (investigations) K.S. Tong said here today. The seized drugs, with a street value of 43 million Hong Kong dollars (about 5.5 million U.S. dollars), comprised 90 kilograms of heroin base, 48 kilograms of heroin, 33 kilograms of opium and 144 kilograms of cannabis and cannabis resin, Tong said. He described 1985 as a "year of steady yields" in the battle against illicit drugs. Total drug seizures for the year by the customs service and the police amounted to 621 kilograms, Tong said.

The favorite method of smuggling drugs into Hong Kong, he said, continued to be the sea route because of Hong Kong's easy accessibility by sea. One extensively used tactic involves smugglers' trawlers which drop their cargo of drugs close to Hong Kong waters. The drugs are then picked up by local fishing vessels.

Tong also warned that drug traffickers, relying on supplies from the "golden triangle," a mountainous region where the borders of Thailand, Laos and Burma meet, are turning to more elaborate smuggling routes in a bid to evade detection. Instead of shipping the drugs directly from the producing areas, Tong said, traffickers are switching to longer, more circuitous routes and transshipping their illicit cargoes through non-producing countries.

HONG KONG TRADE COUNCIL TO OPEN BEIJING OFFICE

HK100249 Beijing XINHUA Hong Kong Service in Chinese 0930 GMT 4 Feb 86

[Text] Hong Kong, 4 Feb (XINHUA) -- The first mainland office of the Hong Kong Trade Development Council is to begin operating in the last 10 days of this month. In an interview with a XINHUA reporter, Huang Wei-hao, the designated chief representative of the Beijing office, said that Hong Kong and the mainland are as close as lips and teeth and expersed his hope that the office would play the role of a bridge and further promote the development of bilateral trade and economic cooperation.

Since the Trade Development Council set up its "China Department" in 1980, Huang Wei-hao has been the manager. He heartily told the reporter that over the years he had spent a lot of time on the mainland on business, and had made a lot of friends there. He hoped that in his future work, closer cooperative ties would be established.

Chen Yu-yeh, former director of the council's marketing department, will serve as the deputy representative of the office. Personnel from the Beijing locality have been invited to apply for positions on condition that they have experience in international trade and a certain mastery of the English language.

Huang Wei-hao pointed out: the specific tasks of the office are as follows:

1. Making arrangements for the Trade Development Council tc launch trade development activities on the mainland, handling consultancy matters relating to bilateral trade, and introducing Hong Kong manufactured goods to the mainland. A Hong Kong machinery equipment exhibition and a large-sized Hong Kong-made products exhibition will be held in Guangzhou and Beijing this year.

2. Strengthening market survey work and conducting more investigations of special subjects on a selective basis to provide Hong Kong firms and businessmen with concrete reference materials. He gave as an example the problems cropping up in the course of setting up a cooperative enterprise, from the initial application to its actual commission, and their solutions. He also cited the procedures of arbitration in China's foreign trade and the ways of investigating related cases.

3. Promoting mutual visits and relations, exchanges of experience, and close cooperation between business people in Hong Kong and on the mainland. The office will plan to organize various forms of delegations composed of Hong Kong industrialists and businessmen to visit the mainland and learn on the spot about the investment environment and trade opportunities there, and at the same time, invite persons in charge of various economic departments on the mainland to visit Hong Kong.

Huang Wei-hao also indicated that his office was ready to provide the mainland with consulting services relating to the economics and trade of Hong Kong and of other countries or regions in the world and bring into play the role of Hong Kong as "a window" for China.

Touching on the cooperative relationship between the office and organizations on the mainland, Huang Wei-hao said: The Hong Kong Trade Development Council has had a good cooperative relationship with the China Trade Promotion Association for years. The establishment of the Beijing office will further expand this already close relationship. Many trade development activities can be jointly organized. He hoped that the council's first office on the mainland would be able to lay a sound foundation in its operation at an early date, creating favorable conditions for the establishment of a second office in Shanghai at the end of this year.

BOOKLET REVIEWS NEW ZEALAND-PRC 1985 TRADE, TIES

OW121115 Beijing XINHUA in English 0857 GMT 12 Feb 86

[Text] Wellington, February 12 (XINHUA) -- The total trade between New Zealand and China in 1985 approached 230 million N.Z. dollars (112.74 million U.S. dollars) and was three to one in New Zealand's favor. This was disclosed in "A Guide to New Zealand's Foreign Relations 1985," a booklet issued by the New Zealand Foreign Ministry recently.

"China's domestic political stability and its new market-oriented economic policy make for a good climate for pursuing an already healthy relationship" between New Zealand and China, said the booklet. More than a hundred official delegations, it said, exchanged visits during 1985. The booklet also said, "The government has welcomed the agreement on the status of Hong Kong, to take effect after 1997, both for its political implications and because the prosperous New Zealand trade with that territory now seems unlikely to be jeopardized."

LIAOWANG ON U.S., ISRAELI THREATS ABAINST LIBYA

HK070929 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 2, 27 Jan 86 pp 26-27

["Special Dispatch From Cairo" by contributing correspondent Mu Guangren: "Why Does the United States Threaten Libya by Force?"]

[Text] The moment the new year began, the U.S. aircraft carrier Coral Sea cruised from Naples toward the Mediterranean, thus triggering the first round of shock waves on the sea in 1986. The U.S. warship Iowa and aircraft carrier America at a Virginia base also moved toward the Mediterranean. Their destination was Libya, and the pretext they used was that Libya masterminded the 27 December 1985 terrorist attacks on the El Al (Israeli National Airline Company) offices at Rome and Vienna.

On New Years Day, the White House and Pentagon were busily preparing military options for "punishing" Libya in accordance with Ronald Reagan's instructions. One option was an air strike by FB-111 fighter-bombers from a base in the United Kingdom. The other was a strike by B-52 bombers flying from the United States and refueling in midair. The third was to launch F-18 warplanes from the aircraft carrier Coral Sea to enter Libya's Gulf of Sidra, luring Libyan warplanes into a head-on fight in order to shoot them down and further attack Libyan Air Force bases.

Israel also took military actions. Its fighter planes flew to the Mediterranean and stayed on the aircraft carrier Coral Sea. Israeli warplanes flew above the Bab el Mandeb Strait in the Red Sea to spy on the Kamaran Island and Perim Island off South Yemen and North Yemen. Israel threatened to take military action against all Palestinian fighters in their camps in various Arab countries.

Libya was not to be outdone. Mu'ammar Qadhdhafi asserted that if the United States attacked Libya, "there will be no peace in the Mediterranean" and "Americans will be harassed on their own streets." On 6 January he issued a partial mobilization order to the whole nationand enlisted 40,000 reserve personnel into the Army to fight. SAM-5 missile launchers provided by the Soviet Union were being deployed in Libya under the guidance of Soviet military personnel.

The situation looks extremely critical. However, no one has ever taken the war of intimidation excessively seriously. A diplomat in Cairo said: "The louder the cries for a fight, the less the possibility of a real fight will be. Those who really intend to use their guns and cannons will not breathe a word about their intention." In fact, while making loud statements, Reagan carefully made it clear that any measure taken "should not start World War III." Of course, some people are worried that President Reagan might take unpredictable actions. In November 1985, the United States dispatched warplanes to intercept an Egyptian civilian airliner. That was beyond all expectations. As far as Israel is concerned, people have to heighten their vigilance against such actions. But Israel has a sinister reocrd, having launched an air-raid attack on Iraq's nuclear facilities and bombed PLO Headquarters in Tunis.

Europeans ask: Is there really any need for the United States to dispatch its aircraft carriers and B-52 strategic bombers to deal with a few terrorists? This is evidently absurd logic. However, now that Washington has taken such a stance, naturally there must be a beginning and subsequent developments.

Terrorist attacks at Rome and Vienna airports were condemned by the world community, including PLO Chairman Yassir 'Arafat, who declared that the PLO had nothing to do with the attacks. Judging from the results of the trial of the terrorists who attacked the airports, the PLO really had nothing to do with the attacks.

However, some people in the United States and the Israeli authorities regarded the events as an opportunity for striking at the PLO, just as Israel bombed PLO Headquarters in Tunis by capitalizing on the yacht incident in Cyprus on 1 October 1985. The first reaction of the Israeli authorities was an indication of this point of view. Prime Minister Shim'on Peres said: No matter who carried out the attacks, "We will never let the PLO go unpunished." Although, in a speech delivered in Cairo on 1 October 1985, 'Arafat denounced terrorism, Peres, who obstinately asserted that the PLO favored the use of terrorist means, said he would be content with nothing less than the PLO's destruction.

Since October of last year, the PLO has suffered repeated setbacks and the Middle East peace process based on an agreement between Jordan and the PLO has come to deadlock. Supported by the United States, Israel has firmly refused to recognize the PLO and tried every possible means to exclude the PLO from any peace talks and to ultimately write off the organization from reality. The Rome and Vienna airport incidents gave the Israelis an excuse to once again strike at the PLO, which has suffered repeated setbacks.

They plan to start striking at the PLO in two ways: One is to undermine the relationship between the PLO and European countries, and the other is to weaken the support of Arab countries for the organization.

A PLO representative in Cairo told AL-AHRAM that someone was behind the incident who intended to undermine the good reputation of the PLO and its relationship with European countries in an attempt to convince people that the PLO is unable to bring the Palestinians' actions under control. This is precisely what Israeli Prime Minister Peres did. Peres said: "All European countries" have provided the terrorists with sanctuaries and weapons and given (the PLO) diplomatic recognition. They should be held responsible for the incident. The implication of these remarks is that European countries should cut off their support for the PLO.

Israel has used all means of threat and intimidation against Arab countries. Israeli planes not only appear and disappear unpredictably in the Mediterranean and the Red Sea, but also fly over Lebanon's Al Biqa' Valley and southern cities on the pretext of gathering intelligence about the PLO's activities. Israeli Defense Minister Yitzhaq Rabin claims that the terrorist faction headed by Abu Nidal is supported by Iraq, Syria, and Libya. He threatened that Israel would not rule out the possibility of retaliatory actions against any supporter of the Palestinians.

However, the result of U.S. and Israeli threats has turned out to be opposite their wishes. After realizing that it would not win sympathy from the world community by linking the incident with the PLO by drawing a forced analogy, and considering the influence the incident would have on the Middle East space process, the United States asked Israel to be somewhat "restrained" and focused the target of attack on Libya. The United States maintained: The accusation against Libya-supported Abu Nidal terrorist factions will be more acceptable to the world community, and thus reprisals against Libya will meet with less resistance in Congress. If these threats produce positive results, the United States can show off both at home and abroad. We are the United States, and the United States alone can counter terrorism. However, this performance of the United States brought results that were the opposite of its wishes in the new year.

With his military threat failing to produce positive results, Reagan announced economic sanctions against Libya, appealing to the U.S. European allies to follow suit. U.S. economic ties with Libya have dwindled to insignificant proportions, but European countries still have intense economic interests in Libya. Therefore, they have indicated one after another that they will not heed the U.S. economic sanctions. Hence, the economic sanctions carried out solely by the United States have lost their effectiveness. Moreover, the world community takes exception to this U.S. move.

At present, tense relations between the United States and Libya are still developing. On 13 January, a reconnaisance plane from the aircraft carrier Coral Sea flew over Khalij Surt (the Gulf of Sidra) northeast of Tripoli, and two Libyan Soviet-made MiG-25 fighter planes approached it. Two U.S. F-18 fighters immediately took off from the aircraft carrier. Nevertheless, neither side became hostile. Some 1,000 Libyans rallied in Libya's capital to protest the U.S. policy against their country the very same day.

The Arab Leauge and the conference of foreign ministers of Islamic countries separately adopted resolutions denouncing the U.S. military threat and opposing U.S. economic sanctions against Libya. European allies also tried to persuade the United States not to make a fuss over a trifling matter. Hence, the United States became "a loner" and "a target of public criticism." U.S. acts also helped Qadhdhafi win sympathy both at home and abroad. Since U.S. economic sanctions against Libya were rejected by its European allies, the problems between the United States and its allies are further broadening.

Who wins, and who loses? The development of events will leave Washington with this conclusion: The loss outweighs the gain.

ETHIOPIA DEPLORES U.S.-S. KOREAN EXERCISES

OW121331 Beijing XINHUA in English 1226 GMT 12 Feb 86

[Text] Addis Ababa, February 12 (XINHUA) -- Ethiopia strongly deplored the current U.S.-South Korean military manoevres and expressed its solidarity with the Democratic People's Republic of Korea against this deliberate military provocation and intimidation.

The Ethiopian Foreign Ministry said in a press statement last night that the Korean peninsula continues to be a major trouble spot where tension and the danger of war cast dark shadows, often disrupting serious efforts towards peace and stability in the area. It said that the joint military exercises which are now taking place in South Korea between U.S. and South Korean forces under the code name "Team Spirit-86" are "clear manifestations of the policy of armed provocation and confrontation." The statement said: "At a time when maximum efforts are being exerted for a successful outcome of the North-South dialogue, the decision taken by the U.S. and South Korea to go ahead with these military exercises is meant to perpetuate tension in the region and disrupt all efforts being deployed to create a favorable atmosphere with a view to attain a lasting national reconciliation and the peaceful reunification of the Korean people."

IRANIAN MAJLIS SPEAKER ON RELATIONS WITH USSR

OW091952 Beijing XINHUA in English 1918 GMT 9 Feb 86

[Text] Tehran, February 9 (XINHUA) -- Iran's parliament speaker Hashemi-Rafsanjani said here today that the Soviet Deputy Foreign Minister Georiy Korniyenko's recent visit to Iran "will exert a tremendous influence upon the relationship between the two countries." Speaking at a news conference, he said he was optimistic about improving Iranian-Soviet relations in many spheres. Rafsanjani pointed out, however, that there remain two problems in the Iranian-Soviet relations to be resolved, namely, Soviet support to Iraq and occupation of Afghanistan. Nevertheless, the speaker said: "The Iranian-Soviet relationship can not be compared with Iran's relations with the United States who is a big devil. Although the Soviet Union hurts Iran in the war, they are not like the United States. We have diplomatic relations with the Soviet Union and they are building some projects in Iran.

Asked whether any improvement of Iranian-Soviet relations would mean Iran will give up its policy of "no East and no West," he said, "Iran's policy of 'no East and no West' means rejection of domination from both East and West. We don't reject friendship of the East and West." "If the United States stops doing any evil any more, we could establish relations with them also," he added. On conditions set by Iran for ending the war with Iraq, the speaker said, "to bring Saddam to a trial, to let the Iraqi people be free and to pay for our loss in the war are our conditions for ending the war," he said.

LEBANESE AMAL MOVEMENT RELEASES COMMUNISTS

OW121333 Beijing XINHUA in English 1233 GMT 12 Feb 86

[Text] Beirut, February 12 (XINHUA) -- The Lebanese Shi 'ite Amal Movement has released 86 Lebanese communists who were kidnapped by the movement recently in southern Lebanon, according to Phalangist radio broadcast this morning. Sources of the Lebanese Communist Party said that there are more than 30 leading members of the party are still detained by the Amal Movement.

The sources close to the Amal Movement argued that the detention of the Lebanese communists was aimed "to prevent the Communist Party from helping the Palestinian guerrillas to rebuild their military superiority in southern Lebanon." The sources said the Amal Movement is also worried that Israel might launch a large-scale retaliative operation in south Lebanon. Therefore, the movement insisted that the anti-Israeli guerrilla activities should be conducted only within the so-called "security zone." Relations between the Amal Movement and the Communist Party has become tense recently. On January 7, leading member of the Communist Party Michel Wakid was kidnapped and killed after 64 days of detention. An extensive operation of searching communists was carried out by the Amal in Sayda recently.

LIBYA DETERMINES TO INTERCEPT ISRAELI PLANES

OW101400 Beijing XINHUA in English 1149 GMT 10 Feb 86

[Text] Cairo, February 10 (XINHUA) -- Libya is determined to intercept any Israeli airplane flying within the range of Libyan warplanes, force it to land and search it for terrorists in retaliation for Israel's interception of a Libyan jet last Tuesday. This is contained in a statement of Libyan Foreign Liaison Bureau (Foreign Ministry) and was published in Libyan newspaper AL-FAJR AL-JADID (NEW DAWN) on Sunday. The statement said that this decision came after the U.N. Security Council failed to perform its tasks in maintaining international peace and security due to U.S. veto against resolutions condemning Israel. Citing the interception and American provocative maneuvers off the Libyan coast as reasons, the statement said that Libya has the right to undertake all steps necessary in defending its independence, sovereignty and interests. Meanwhile, Libyan Air and Naval Forces continued maneuvers off the coast on Sunday with live ammunition. The Libyan exercises started last Saturday and were reportedly to continue for a week.

BEIJING ON TENSE SITUATION IN CENTRAL AMERICA

OW130617 Beijing Domestic Service in Mandarin 1150 GMT 12 Feb 86

["International Current Events" program commentary: "The Crux of Prolonged Turmoil in Central America"]

[Excerpts] The situation in Central America has been tense for many years. Social contradictions remain complicated and clashes among various factions in the five countries of Central America are quite sharp. Civil wars still rage in some countries. Interference and infiltration by the superpowers in Central America have become even more destructive than ever before, and there is always the possibility of foreign invasion. The situation in Central America has aroused concern and uneasiness in the international community. Central America has become one of the hot spots of the world.

What is the crux of the prolonged turmoil in Central America? There are two basic causes: One is internal social unrest in various Central American countries, and the other is outside interference. Both superpowers seek to take advantage of the contradictions and clashes in this area for their own interests. It is under these conditions that the national and democratic movements in Central American have gradually flourished, leading to various armed struggles and even civil wars.

The civil war in El Salvador has already lasted 6 years, and more than 50,000 people have died in it. The country's domestic economy has been undermined.

In Nicaragua, victories have been won in the armed struggle, the Somoza regime has been overthrown, and the government of national reconstruction has been established. However, the problems left from the old society have hindered the efforts of the new administration in promoting the national economy and stabilizing social life. In particular, Somoza remnants that have fled the country have tried to organize an anti-government armed force with the direct support of the United States. They are attempting to initiate a new civil war in Nicaragua.

The social turmoil in various Central American countries is the internal reason for the tense situation in this area. However, the intensifying outside interference is an even more important reason for the chaotic situation in Central America.

Central America is geographically important, connecting North and South America, and the Panama Canal is the only waterway connecting the Atlantic and Pacific Oceans. The strategic position of Central America is extremely important, and both superpowers are struggling fiercely to gain control of this region. The United States works hard to maintain its hegemony in Central America, while the other superpower -- the Soviet Union -- seeks to use the turmoil in the area to expand its influence.

Since the beginning of 1980, the United States has strengthened its control over Central America and tried to interfere in the affairs of its countries politically, economically, militarily, and diplomatically. U.S. policy on Central America has three main points:

1. Politically and militarily stabilize the situation in Guatemala, Honduras, and Costa Rica; support the incumbent administrations; promote democracy in these countries in order to solve domestic contradictions; prevent the escalation of civil war; make these countries follow U.S. decisions on foreign and military affairs; and thus control the situation in Central America.

2. Try to suppress the Salvadoran anitgovernment guerrilla troops with emphasis on military encirclement and annihilation. The armed struggle against the government in El Salvador has been going on for years. The strength of the Salvadoran guerrilla troops is fairly strong, and the flames of civil war have engulfed the whole country. In order to prevent El Salvador from experiencing changes similar to those in Nicaragua, the United States is working hard to support El Salvador's reactionary military forces and the current administration.

3. Completely isolate Nicaragua and try to change the structure of the current Nicaraguan administration. Since the Sandinist National Liberation Front overthrew Somoza's dictatorial rule by force in Nicaragua, the political situation of the United States dominating the whole of Central America has changed. Therefore, the United States regards the current Nicaraguan Government as a thorn in its side and has tried its best to isolate Nicaragua in foreign affairs and to undermine its economy. In the past 2 years, it has hurled military threats against Nicaragua. While supporting antigovernment armed forces with Somoza remnants as the core, the United States has built military camps near the Nicaraguan border to enable these forces to intrude into Nicaraguan territory to start a new civil war. The United States also incites Nicaragua's neighboring countries to stir up border clashes, while its Army and Naval forces repeatedly conduct military exercises in nearby areas and waters. In the face of U.S. military threats, the Nicaraguan government of national reconstruction has launched counterattacks. The tense relations between the United States and Nicaragua have made the area the hottest spot in Central America.

CONCRETE CASES SEEN IMPROVING PARTY STYLE

HK090449 Beijing GUANGMING RIBAO in Chinese 30 Jan 86 p 1

[Commentator's article: "Effecting a Change for the Better in Party Style Must Start With Grasping Concrete Cases"]

[Text] There are many things to do in order to improve party style and the social mood. But what should we start with? The practice of some areas in grasping major and serious cases proves that it is necessary to start grasping concrete cases. The masses of people usually judge party style and social mood by direct and concrete things. They bear deep resentment against some cases of unhealthy trends, which violate party discipline and national law and corrupt social values. Only when concrete cases which the masses can see and feel are firmly grasped and the persons involved in these cases are seriously dealt with can the masses have full confidence in the improvement of party style and social mood.

Why have there been no notable results in improving party style and social mood and in checking unhealthy trends since the CPC Central Committee has repeatedly emphasized it and policies have been made very clear? An important reason is that some leading organs and leading cadres have been seriously affected by bureaucratism and have made no great effort to grasp cases of unhealthy trends and violations of the law and discipline. They have said more but done less. Some of them, out of their selfish ideas and personal considerations, dare not grasp the work firmly. As a result, those involved in unhealthy trends and who have violated discipline and the law feel they have strong backing and have nothing to fear, and the unhealthy trends continue to spread rather than being checked. When some concrete cases are firmly grasped and conscientiously handled, the law-violators and criminals will be punished, the unhealthy trends will be checked, healthy trends will be encouraged, and those involved in unhealthy trends will be taught a lesson. Moreover, the broad masses of cadres will also be educated. Greater effects will be achieved if we pay more attention to grasping and handling those typical cases of violations of discipline and the law, which have greater influence and harm. This will show that our party is determined to overcome all obstacles to achieve a fundamental turn for the better in party style and in social mood.

The key to investigating and handling concrete cases, especially major and serious cases, is to stress party spirit, the law, and discipline rather than stressing personal feelings. We must dare to expose mistakes without sparing anyone's sensibilities and dare to surmount all obstacles so that the cases may be handled impartially. No matter who is involved or which organization is involved, it is necessary to handle the cases seriously and resolutely in accordance with the principle of "all are equal before the law" and based on facts. We must never hesitate, or be irresolute or softhearted, and must handle each case as soon as a thorough investigation is made.

At present, the line, policies, and principles of the CPC Central Committee are correct. As a result of implementing the policy of reform and opening up, we have made satisfactory achievements in our economic construction. The situation is gratifying. However, if party style and social mood are not fundamentally improved, the policies of reform, opening up, and economic construction may be affected. Therefore, we must never treat problems concerning party style and social mood lightly. If we start by grasping concrete cases, inflict severe punishments on those who undermine our construction, and forcefully check unhealthy trends, we will surely by able to improve our party style and social mood in the near future so that they can be as good as those in the 1950's, their best period, and ensure the smooth progress of our reform, opening up, and modernization drives.

TOWNSHIP SUPPORTS AGRICULTURE WITH INDUSTRY FUNDS

HK101542 Beijing RENMIN RIBAO in Chinese 4 Feb 86 p 1

[Report by Su Yinhu and Liu Jianming: "Beijing Beiqijia Township Vigorously Grasps Industry and Subsidizes Agriculture With Industrial Funds"]

[Text] Beiqijia Township of Changping County in Beijing Municipality has vigorously grasped industry and subsidized agriculture with industrial funds. While developing industry and a diversified economy, it has also increased grain output in a sustained and stable way.

This township is located on a plain which mainly produces grain. In 1980, the per capita income of the township was 196 yuan. The township was known for its poverty. In that year, the higher authorities reorganized the leading body of the township. The new leading body paid attention to developing industry and sideline occupations and realized that "it is impossible to get rich without developing industry." Thanks to efforts exerted over the past 4 years, the production output value of enterprises run by township and production brigades increased from 3.9 million yuan to 20 million yuan. The profits turned over to the state by the collectives increased from 80,000 yuan to 800,000 yuan.

The rapid development of industry and the diversified economy has accumulated abundant funds for agricultural production. Over the past 5 years, the township has made an accumulated investment estimated at 1 million yuan to purchase agricultural machinery. Mechanization has been basically realized in the production process ranging from planting to harvesting. In the meantime, some water conservancy facilities were repaired and some new projects have been completed. The affected irrigated area has been expanded from 10,000 mu to 16,500 mu. The township has also allocated 350,000 yuan to directly subsidize agriculture. At present, more than 3,000 mu of grain fields have been contracted to 531 able-bodied workers throughout the township so that more than 2,000 farm workers, who were originally engaged in grain production, can turn to industry and the diversified economy.

Total grain output of the township has annually increased by 360 tons on average. Total grain output last year was 7,500 tons, and 3,000 tons were used as commodity grain.

To meet the demands of specialized agricultural production, this township has also gradually established a comparatively effective service system to serve agricultural production satisfactorily.

With the development of a specialized division of labor and the socialization of service trades, great changes have taken place in the structure of the labor force in this township. Compared with 1980, in 1985 farm workers engaging in grain production dropped to 531 from the previous 2,600; those engaged in industrial production have increased from the previous 900 to 2,300; and those engaged in forestry, fruit production, fish farming, and other trades increased from 230 to 920. The development of socialized and specialized production has greatly enhanced labor productivity. In the past, each farm worker engaged in grain production could only supply 0.5 tons of commodity grain a year. At present, each worker can supply 5.5 tons of grain. The output value of each working day has also increased from the previous 2.5 yuan to 12.5 yuan. The average per capita annual output value created by workers engaging in industry and the diversified economy has also increased from 4,000 yuan to 9,000 yuan.

Commentator's Article

HK101545 Beijing RENMIN RIBAO in Chinese 4 Feb 86 p 1

[Commentator's article: "Dialectics of Industry and Agriculture Mutually Helping Each Other Advance"]

[Text] In the short period of several years, Beiqijia township in the suburbs of Beijing has succeeded in changing from unitary agricultural production with an emphasis on grain production to laying equal stress on the rapid development of industry and agriculture. Grain production and the diversified economy have developed in a steady way. The most important reason for this success is that cadres of the township are ideologically clear about their objectives and can handle the relationship between industry and agriculture in a better way. While taking agriculture as a base, they vigorously grasp the work of accumulating industrial funds. In addition, they make use of funds accumulated in industry to support agriculture in changing production conditions, improving basic facilities, and providing a complete set of services to effectively promote the specialization and intensive management of agriculture, grain production in particular. In so doing, they manage the land on a proper scale and enhance the yield of the land and labor productivity. Steady development of agriculture has in turn provided better conditions for the development of industry and the diversified economy.

The practice of Beiqijia Township has vividly demonstrated the dialectics of mutual help between industry and agriculture.

Within the rural economy, there are contradictions between agriculture, industry, and sideline occupations. If we fail to handle the situation well, two kinds of inconsistencies will occur: 1) Traditional unitary setups cannot be changed and the agricultural economy will stagnate; 2) industry and sideline occupations will squeeze out agriculture, and the agricultural economy will be dislocated. A drop in agricultural production might even occur. However, if we handle the relationship between industry and agriculture well, they will help each other advance. Before the convening of the 3d Plenary Session of the 11th CPC Central Committee, most areas throughout the country were affected by the first inconsistency. They concentrated their efforts on producing only grain. The more they did so, the poorer they became. The poorer they became, the more restrictions were placed on the development of the diversified economy. Because less investment was made in agriculture, a vicious circle began. Practice showed long ago that if we follow the past practice of purely relying on administrative means and consider agriculture and grain as they stand, the labor productivity of our agriculture will be very low and our agriculture will lack vigor. Under such circumstances, it is difficult to develop agriculture in a steady way. However, in the last 2 or 3 years, some localities have gone to the other extreme. In these localities, the tendency of industry to squeeze out agriculture occurs. This is a matter which merits the attention of various quarters.

The new situation in the rural area has put new demands on leaders at various levels: They should conscientiously study economic knowledge, master the skill of grasping the situation as a whole, treat and handle relations between industry and agriculture in a dialectical way, and follow the path of promoting mutual help between industry and agriculture. Due to the fact that conditions in various localities might differ, they might not follow the same path. They should suit measures to local conditions, give play to their own merits, and take agriculture as their base to develop mining, the building industry, and a diversified economy which supports agriculture.

However, they share one thing in common: the strengthening of the agricultural foundation should have a solid material investment. Only by putting more into production can we have sufficient staying power for development. In places where industrial production and the diversified economy are active, steady agricultural development in those places will have a powerful backing. We can also discern from this the vital significance of readjusting production set ups in the rural area, actively developing the diversified economy, and developing nonagricultural production. This is needed not only for the all-round development of the agricultural economy, but also for the steady development of agriculture, including the development of grain-planting undertakings.

RENMIN RIBAO COMMENTS ON SCIENCE RESEARCH FUNDING

HK101250 Beijing RENMIN RIBAO in Chinese 5 Feb 86 p 3

[Commentator's article: "A Crucial Move To Promote Integration of Science, Technology, and the Economy"]

[Text] The promulgation of the "provisional regulations concerning supervision over scientific and technological appropriations" by the State Council is one of the policy measures to reform the structure of scientific and technological departments of our country and is a crucial move in promoting further integration of science, technology, and the economy. The implementation of these regulations will certainly speed the progress of the structural reform of scientific and technological departments.

The former structure of scientific and technological departments of our country is not favorable to the integration of science, technology, and the economy. Nor is it favorable to in-depth scientific research. This can be clearly seen in the management of scientific and technological funds and in the personnel management system. In the past, nearly all scientific and technological funds depended on financial allocations. Funds were used freely and achievements were transferred at will. This resulted in research departments eating out of the "big pot" of the state and scientific and technological personnel eating out of the "big pots" of their respective departments. Scientific and technological work lacked the motivation to serve economic construction. Without exception, they received funds allocated by leading departments and were assigned tasks. They seldom gave a thought to whether they could obtain good results in their work or whether the results obtained could be turned into productive forces.

Since scientific research departments depended on appropriations from leading departments and lacked the motivation to arm themselves or to make progress, research work could only remain at the same level. At present, funds can be obtained in many different ways and from various channels based on different characteristics and categories of scientific and technological work. For work on technology exploitation and applied study expected to be of practical value within a short time, funds can be obtained from contracts signed with departments at the same level or an upper level. For basic research and applied study work which cannot be of practical value in the near future, research departments depend mainly on applications for science funds. For research on public welfare, scientific and technological services, and basic technological work, funds will be allocated by the state on a contract basis. In this way, much research on technology exploitation and much applied study, expected to be of practical value within a short time, can be geared to the needs of the economy, society, and market in the whole process from setting tasks to achieving results. Practice in the past few years has shown that this is an effective measure and is conducive to promoting the integration of science, technology, and the economy.

Some people think that in this case the state will reduce scientific and technological funds. This is a misunderstanding. In the decision on reforming the structure of scientific and technological departments, the central authorities explicitly pointed out that for some time in the future, scientific and technological appropriations from local and central governments should be gradually increased. Even funds cut from operational expenses will be used for the development of science and technology in an appropriate manner. In the "provisional regulations," the State Council has reiterated these principles. Moreover, scientific and technological operational expenses will only be gradually reduced. Speed in such reduction should not be stressed without paying attention to actual conditions. Drastic and speedy reduction of operational expenses will be harmful to the steady progress of the structural reform scientific and technological departments.

Some comrades worry that changes in management methods of scientific and technological funds may cause scientific and technological personnel to pay attention only to minor projects and neglect major and long-term ones. This worry is not without basis. The "provisional regulations" issued by the State Council have already taken into consideration in-depth scientific research in order to ensure staying power for the integration of science, technology, and the economy. Funds for major scientific and technological projects, key laboratories, and intermediate test bases will still be included in state and local plans. Of course, the method of state appropriations according to departments, trades, and professions can no longer be used even for major scientific and technological projects, but should be replaced by the invitation and contract system. In this way, barriers between different departments and between departments at different levels can be removed, competition can be launched, and research under better conditions will receive greater support so that limited funds can be fully utilized.

FORESIGHT IN FLOOD PREVENTION RECOMMENDED

HK110741 Beijing RENMIN RIBAO in Chinese 3 Feb 86 p 2

[Commentator's article: "A Lesson From the Flooding of the Liao He"]

[Text] When the Liao He flooded last year, more than 1.7 million armymen and civilians in Liaoning Province fought without rest for tens of days and nights, protecting the main dikes as well as the cities, oil fields, and major factories and mines. At a time when we confirm the tremendous achievements in antiflood and rescue work, we should pay close attention to the lesson learned from the flooding of the Liao He and carry out flood prevention in a better way.

The Liao He, one of seven big rivers in our country, is less capable of handling flood waters. Before the flood season in 1983, the State Council approved and transmitted the "report on doing a good job of flood control along the seven big rivers" submitted by the Ministry of Water Resources and Electric Power. The report explicitly pointed out that the immediate task for flood control along the Liao He was to step up river administration, dredge the river, completely remove the bends and dikes seriously hindering water flow along the main streams, and promptly resume measures to control floods along the Liao He. Unfortunately, the departments concerned did not pay sufficient attention to these problems. The flow during the highest flood peak of the Liao He last year was only two-fifths of the annual flow. Why did it become a disaster? The major causes included poor river administration, man-made obstacles, and failure to implement flood control measures. This lesson should provoke deep thought.

What lesson has the flooding of the Liao He taught us? First, close attention should be paid to harnessing the river. Any slackening of effort and delay in work may cause disaster. Second, in carrying out flood control, emphasis should be on prevention.

Only by taking precautions can we avoid danger. Third, rivers need to be harnessed. River administration is also needed. Abandoning or slackening river administration and separating river harnessing from river administration not only prevents the state investment in flood control from yielding profits due but also may cause irretrievable losses. Fourth, exploitation and utilization of rivers should not be carried out indiscriminately. River courses and banks form natural passages for draining flood water. Comprehensive utilization of rivers is permissible provided the draining of flood water is not hindered. Indiscriminate reclamation of land from rivers will block the outlet of flood water and result in disaster sooner or later. Fifth, all areas, departments, units, and individuals must consciously take the whole situation into account when carrying out flood control. Any deed of confining one's scope of vision to immediate and partial interests, damaging flood control projects and weakening their antiflood capacity is impermissible. The lesson has reminded people that in order to prevent floods and ensure safety, they must improve the policy, clearly specify the duties, tighten the laws, and carry out river administration according to law.

Our country's big rivers have not yet been permanently harnessed and have yet to increase their capabilities to fight floods. In some parts of the rivers, there are increasingly more man-made obstacles, seriously weakening the capability of rivers to drain flood waters. These obstacles must be removed, lest they inevitably harm the interests of the whole. A saying goes: "The overturned cart ahead is a warning to the cart behind." The lesson learned from on the flooding of the Liao He serves as a warning to all localities. Flood control and removal of obstacles concern the lives and property of millions of people as well as the overall interest of the four modernizations. We must tightly grasp this matter of prime importance.

LITERATURE, ART DEVELOPMENT ENCOURAGED

HK100409 Beijing GUANGMING RIBAO in Chinese 23 Jan 86 p 3

[Article by Hua Jai: "Correctly Deal With External Influences -- from a speech made at a forum sponsored by the GUANGMING RIBAO literature and art department"]

[Text] As our economy develops, so too does our culture. Our old, middle-aged, and young writers and artists have been working very hard since the 3d Plenary Session of the 11th CPC Central Committee. They have produced many influential works. New writers, new artists, and new works have continued to emerge. It is a thriving and encouraging scene. Moreover, there are exciting new developments. Many mass amateur literature and art organizations have emerged in recent years, such as literature societies, poetry societies, calligraphy and painting societies, music societies, and research societies of various descriptions, and literature and art organizations devoted to creation and research by well-known old, middle-aged, and young writers and artists. For example, the Guangzhou poetry society is an organization which includes leading cadres at provincial and city levels, poets, and painters. On invitation, it visited Singapore for a cultural exchange. The Xiangxue [Fragrant Snow] Calligraphy and Painting Society and Guangzhou Watercolor Painting Society founded in suburban Guangzhou have on several occasions been to Hong Kong, Macao, and Southeast Asia to hold exhibitions. They were warmly welcomed. There are also the Photography Society of the Aged, the Children's Puppet Service Center, and the Cantonese Opera Research Center. These literature and art organizations have in recent years produced many talented people and excellent works. Pianos and cameras are now available to many worker and peasant families. Many amateur singers, musicians, and amateur photographers have emerged in our districts, township, and neighborhoods. Many young mothers in particular accompany their young children to family tutors to learn skills in violin and piano playing, or to learn painting. This is now a common scene. With such a growth in literature and art activities in such colorful variations, we can imagine what a vigorous development of literature and art there will be in the next century.

As we are implementing reform policies and opening up, and people come and go, there are inevitable cross-cultural influences. External cultures are affecting us, and our culture is affecting them. This is unavoidable and normal. With its geographical location, Guangzhou is China's southern gate, so it is the first to be affected. External influences come more quickly, more directly, and with more impact than in the hinterland. This is a fact.

A few years back, with the spread of radio cassette-recorders, Hong Kong's "pop songs" became fashionable in Guangzhou. Nobody had made a particular effort to import them. Since the windows were open, the "southern wind" was bound to come in. As we are not going to shut the windows, we have to learn how to properly deal with such external influences. At the time, the provincial committee put it well: "Repel pollution, but not everything foreign." Thus, the principle of adroit, guiding action according to circumstances, strengthening control, and developing self-creation was adopted. Consequently, the problem has been basically solved. A number of our own pop songs have become popular; at the same time, a number of popular young singers and lyrics writers have emerged. In fact, we have even affected Hong Kong's "pop songs," but this is not the result of special efforts by our people. Hong Kong singers are now also singing our northern Shaanxi folk songs and some Cantonese opera in their nightly performances. This amounts to some kind of change in terms of mutually influencing each other.

With the development of our economy, cultural development is on the agenda. This is an objective demand. Economic development includes the development of science and technology. Imports of the new science and technologies of the 1980's have not only produced a new generation of products, but a new generation of young technical workers. When we import the results of a new generation of advanced science and technology, we have a process of digestion and absorption, a process of transforming and creating the new in linking our characteristics and experiences. In this way, we can create more advanced results in our science and technology. Of course, such a process should be accomplished by relying on people. It is the same with cultural development. But only by making foreign things serve China, weeding through the old to bring forth the new, and letting a hundred flowers bloom, a hundred schools of thought contend, will it be possible to produce more and better literature and art works to serve the people and socialism, thus better meeting the needs of our cultural life in the vast urban and rural areas.

LEGAL SPOKESMAN EXAMINES ECONOMIC CRIMES

HK080241 Beijing RENMIN RIBAO in Chinese 1 Feb 86 p 4

[Report by correspondent Xiong Yongnian: "An Interview With the Spokesman of the Supreme People's Court on a Further Crackdown on Economic Crimes"]

[Excerpts] On 31 January the spokesman of the Supreme People's Court answered questions raised by this reporter, questions about which the masses of people are much concerned.

Question: How should we appraise the situation in the present struggle against serious economic criminal activities?

Answer: Over the last few years, proceeding from the overall situation regarding the socialist four modernizations program, the central authorities have adopted a series of important instructions and policy decisions on cracking down on economic criminals in grave cases. Moreover, the instructions and policy decisions have been made more concrete and definite. Party committees and governments at all levels are deepening their understanding of the necessity and urgency to crack down on economic crimes. They have gradually strengthened leadership over the struggle against serious economic criminal activities.

In the past year in particular, after the central authorities proposed that new unhealthy practices be corrected, party committees and governments at various levels paid more attention to and strengthened their work of cracking down on economic crimes. All economic management departments conducted mass financial, tax, and price surveys and checked on and consolidated the work of companies, thus further advancing the struggle against economic crimes.

Great progress has been made in the present crackdown on serious economic crimes, but it must also be noted that economic criminal activities are still rampant. The growing arrogance of economic criminals, whose cases are serious, has not been totally deflated. The phenomena where cases of serious economic crime have not been not effectively resolved is continuing. Cracking down on economic crimes is a long-term, arduous task. On no account must we take it lightly.

Question: What obstructions and resistance have procuratorial organs encountered in handling economic criminal cases?

Answer: The present economic crimes are characterized by collusion between those inside and outside the unit or the country and between higher and lower levels. Our units and cadres are looking into many economic criminal cases. Sometimes, tens of units and cadres at and above the county level are involved. Working in the interests of small groups, some government offices and state-owned or collective enterprises and institutions have forsaken integrity, tempted by personal gain. They have engaged in economic criminal activities in a big way, collaborating with criminals in our society, each using the other for his own ends. Therefore, while handling economic criminal cases we are often confronted with a sophisticated network of relationships, strong protection, and numerous obstructions and resistance from the higher authorities.

Some people run around everywhere pleading for the offenders; some support offenders in applying for an audience with higher authorities to lodge complaints and voice grievances for them; some erect obstructions and barriers in various ways to prevent cases from being investigated and handled; some take offenders under their wings using all kinds of pretexts; others shield offenders by abusing their power or by substituting the law with personal intervention; still others even hamper investigations of their own cases. Frequently, when investigating and handling economic criminal cases, it is more difficult to overcome the numerous obstructions and break through the network of relationships and protection from the higher authorities than to investigate and handle the cases themselves.

Analyzing the obstructions and resistance we encountered in investigating and handling economic criminal cases, we found the following: 1) Some leading cadres still have trouble understanding the dialectical relationship between the crackdown on economic crimes and reform, opening up to the outside world, and invigorating the domestic economy. They are worried that cracking down on economic crimes will hinder implementation of the policy of opening up to the outside world, invigorating the domestic economy, and developing economic construction. 2) Some leading cadres weigh the crackdown on economic crimes against that of regular criminal offenses, arguing that the crackdown on economic crimes will affect our efforts to concentrate on taking strong measures against regular criminal offenses. 3) Some leading cadres have little sense of the legal system and have not acted strictly according to the law. 4) Some people are indulgent and lenient toward economic criminal cases involving cadres, leading cadres in particular, because they are their former superiors or subordinates, colleagues or relatives, with a view to shielding them. 5)Some state cadres involved in malpractices or bribed by offenders have provided them with conveniences by abusing their power. Some even colluded with them in their evil deeds. This shows that to remove obstructions and resistance, it is necessary to be upright and outspoken, to enforce the law impartially, to have the courage to handle and be good at handling tough problems, and to do a good job of conducting investigation and study.

It is also necessary to keep party committees informed of recent developments so as to win their guidance and support, to strengthen education among involved cadres, and to hold responsible those who gave unprincipled protection to or plead for offenders in accordance with the resolutions of the CPC Central Committee and the State Council. Only in this way can the so-called network of relationships and protection shield be smashed and obstructions and resistance removed.

Question: How can the struggle against economic criminal activities be carried out thoroughly? What key problems should be firmly solved?

Answer: Criminal activities in the economic sphere are a problem of a social character. It will not do to rely exclusively on procuratorial organs and judicial departments in solving the problem. To solve it successfully, the whole party and society should be serious and take action.

China's political and economic situation is presently very good. After the National Conference of Party Delegates, the CPC Central Committee stressed simultaneously grasping "the building of two civilizations." Recently the central authorities have decided that in bringing about a fundamental turn for the better in party work style and the standard of social conduct, the central party, government, and Army organizations should set examples for the entire nation. All this has created favorable conditions for carrying out a thorough crackdown on serious economic criminal activities. We believe that as long as we seize this favorable opportunity and the whole party and society take vigorous actions to thoroughly implement the struggle against serious economic criminal activities, persistently implement the principle of punishing criminals strictly and severely according to law, effectively put an end to the phenomena where economic criminals are not effectively dealt with, and strive to further the positive momentum which has already emerged, we will surely win a great victory in the struggle against serious economic crimes.

GUANGMING RIBAO DISCUSSES REFORM, OPENING UP

HK090709 Beijing GUANGMING RIBAO in Chinese 25 Jan 86 pp 3, 4

[Article by Yuan Mu: "Several Questions of Understanding Concerning Reform and Opening Up to the Outside World"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, our party has taken up the general task for the new historical period and put forward the general topic of building socialism with Chinese characteristics. With a view to completing this general task for the new historical period and accomplishing the aim of building socialism with Chinese characteristics, our party has adopted the principle of invigorating the domestic economy and opening up to the outside world. Judged by the main current, essence, and general tendency of development, the situation is excellent, and we have scored enormous achievements. A new situation of sustained, stable, and coordinated development has arisen in our country's national economy. Increased ranges in the people's living standards, in both rural and urban areas, have been rare since the founding of the country. Over the last few years, the financial and economic strength of the country has been greatly strengthened. However, while fully affirming the excellent main current in the current economic situation in our country, we must also notice some new problems that have arisen since the fourth quarter of 1984. On the one hand, as the development situation over the last few years was very excellent, the state of blindly expanding the scale of production construction once again arose in work to a certain extent. And on the other hand, as more attention in reform was paid to the invigoration of the microeconomy than the strengthening of macroeconomic control, some new unstable factors have emerged in economic life as a result.

Notwithstanding that the contradictions have been or are being mitigated through a whole year's effort last year, the problems have not yet been completely solved and we still cannot lower our guard in the slightest degree. At present, our task is to persevere in the reform and the orientation of opening up to the outside world, and under this condition to conscientiously summarize experiences, resolve the problems in the course of advance and ensure the reform and opening up to the outside world more healthily forges ahead.

Construction Arrangements Should Be in Favor of the Economic Structural Reform

Fundamentally speaking, reform is to serve construction. The most important issue for us in accomplishing the general task for the new period and building up a modernized and highly civilized and democratic socialist country is to carry forward socialist economic construction. The reform is to eliminate various long-standing abuses fettering productive forces in the existing management structure and to more favorably promote the development of social productive forces, building socialism with Chinese characteristics and consolidating and perfecting the socialist system. Therefore, it is consistant with the objectives of construction. So, the construction arrangements must serve the reform. In carrying out the reform, we must not only have our eyes on the present but also the future. It is imperative to proceed from such a strategic viewpoint to correctly handle well the relationship between reform and construction and make them mutually adaptable and supportive in forging ahead.

With a view to ensuring the smooth progress of the reform, it is particularly necessary to provide for the reform an economic environment in which economic life will be more well-to-do and the proportional economic relations will be more coordinated and stable. Therefore, we must strengthen and improve macroeconomic control, continue to prevent an overheated economy, and resolutely control the scale of investment in fixed assets, in particular the scale of capital construction. Otherwise, reform will not proceed smoothly. At present, some localities and departments do not have a deep understanding of the decision of the central authorities and the State Council regarding strengthening macroeconomic control and are not resolutely carrying it out; and some even hold that the strengthening of macroeconomic control is only the business of the central authorities and has little to do with their own localities and departments. As the whole is composed of individual parts, if each part holds that a decision of overall importance has little to do with it and goes its own way, solving matters of overall importance will become empty talk.

The development of each locality and department does not only involve the question of its own overall balance. At present, it is particularly necessary to stress cultivating the sense of proceeding from the interests of the whole. Only when everyone fully understands the necessity of strengthening macroeconomic control, consciously brings the excessive scale of construction under control, and maintains an appropriate rate of economic development under the condition of raising economic effectiveness can we contribute to the smooth progress of reform and the healthy development of the economy and create better conditions for sustained, stable, and coordinated economic development in the coming 5, 10, or 20 years, or even longer. If economic relations in every field are strained, general social demand exceeds the general supply, national income is distributed excessively, and we do not promptly solve these problems, these contradictions will become more and more acute; we would have to make major readjustments in the end. Thereby, it will be difficult for the reform to be carried out smoothly. The excessive price hikes of some commodities last year was due primarily to the excessive scale of investment in fixed assets, drastic growth in consumption funds, runaway credit funds, excessive currency in circulation, and other factors but not the reasonable readjustment of price structure. This also fully shows that in order to smoothly push forward the price reform and every other reform, we must further strengthen and improve macroeconomic control, regulation, and administration and promote the change of current economic environment from being strained to well-off.

To Build New Modes According to the Demands of the Planned Commodity Economy

In essence, the orientation of the economic reform adhered to by us, or the target mode to be achieved, is to thoroughly break away from the influence of the previous practice of attempting to prematurely set up the mode of the planned product economy, reform the original economic structure, and set up a new, lively, and energetic mode of socialist economic structure, in light of the demands of developing a socialist commodity economy based on public ownership of the means of production in a planned way.

In this historical stage of socialism, if the commodity economy is not fully and highly developed, we just cannot realize a high degree of socialization in production and modernization in the economy and fundamentally consolidate and perfect the socialist system. The development of the commodity economy is an indispensable stage of the economic develpment of human society. The natural economy, the commodity economy, and the product economy to be experienced in the future stages of communism are three economic patterns which human society must experience in development. The founders of Marxism always envisaged that the socialist revolution would first win its victory in highly developed capitalist countries or countries with highly developed commodity economy. Following the realization of the ownership of the means of production by the whole society, namely public ownership, as social labor was directly reflected by individual labor, it would be possible for a unified social center to plan production and distribution for the whole society, relations between commodities and money would automatically wither away, and commodity economy would become the planned production economy.

This is a scientific prediction about future society through in-depth analyses of the development law of capitalist society. Neverthless, the question is under what conditions or by what possibility can we realize this prediction. In the past, we did not have a deep understanding of this question. However, it seems now that without a highly developed commodity economy, we just cannot realize this vision of Marx and Engels in this historical stage of socialism. In the whole socialist stage, without highly developed social productive forces, labor productivity, and the commodity economy, great differences would still exist in the labor of each individual, labour would remain the main means for people to make a living, the old form of social division of labor would still exist, relatively independent economic interests would still correspondingly exist in each enterprise, and relations between commodities and money would not wither away. Thereby, it would be impossible for the commodity economy to change into the product economy.

As a highly developed commodity economy is the inevitable demand of the historical stage of socialism, in planning as well as every other economic work, we must consciously act according to and apply the law of value. Since the law of value is the general law of commodity economy, if we consciously apply it, we can effectively promote the development of the socialist commodity economy; and if we consciously or unconsciously go against it, we will butt our heads against a wall of hard facts and hinder the development of the socialist economy. This is an objective reality independent of man's will. To fully develop the commodity economy, we must attach great importance to and bring into full play the role of markets, as there is no commodity economy without markets. If we want to carry out commodity production and exchange while bringing the role of markets into full play, we must make state-run enterprises become economic entities possessing relatively independent economic benefits and let them be run independently and assume sole responsibility for their own profits or losses. If we do not act according to this demand, we just cannot fully develop the commodity economy. Since we have to fully develop the commodity economy, we must correctly handle the relationship between the state and the enterprise.

We should change the previous practice of the enterprises being directly run by state organizations, apply the principle of streamlining administration and instituting decentralization and separating government from enterprises' responsibility and let the state-run enterprises have relatively independent microeconomic decision-making power and business management authority. Therefore, the state can no longer adopt the whole set of the previous enterprise management structure focusing on "centralization."

In order to meet the need of developing the socialist commodity economy in a planned way on the basis of public ownership, it is necessary for us to pay particular attention to making a clear distinction between the following two fields: On the one hand, we must fully understand the historical inevitability of the socialist stage to fully develop the commodity economy and in no way attempt to prematurely set up the mode of communist product economy regardless of the reality of history; otherwise, we just cannot possibly shake off the influence of "leftism" and will be out of tune with many current reform measures. On the other hand, we must not mix up the essential distinction between the socialist commodity economy and the capitalist commodity economy. The most important is that the socialist commodity economy is a kind of planned commodity economy based on public ownership. Developing the socialist commodity economy is to meet the constantly growing material and cultural needs of the masses of people to the maximum degree. In the current reform, some factories do not proceed from realizing the fundamental aim of making the country prosperous and powerful and the people well-off and happy but persist in making profits regardless of product quality and economic effectiveness and do not strive to reduce consumption and production costs. Fundamentally speaking, this has violated the principle of developing the socialist commodity economy. Under the socialist conditions in our country, manpower is not a commodity, nor are all the state-owned enterprises and resources like land, mines, banks, railroads, and so on.

Therefore, commodity fetishism and the profit-before-everything mentality are fundamentally incompatible with the socialist system. Of course, with the development of the socialist commodity economy, on the one hand, the social productive forces would attain fuller development; and on the other hand, people's thinking would also more easily be corroded by bourgeois ideology. However, this shows all the more the necessity to remind people to draw a clear and fundamental distinction between the socialist commodity economy and the capitalist commodity economy and the necessity and importance of persisting in conducting education in socialist and communist ideals and ethics. In addition, there is also a question of how to deal correctly with the advanced business management experiences of the developed capitalist countries. As the commodity economy in our country is underdeveloped and we lack experience in managing socialized mass production, in reform we must not refuse to learn all the advanced business management experiences and scientific methods reflecting the modern production laws of all the countries in the contemporary world including the developed capitalist countries. On the contrary, we must be determined to earnestly study and draw lessons from them and use them to serve us as well as the development of the socialist commodity economy. Of course, while upholding doing this, we must not include those decadent things characteristic of the nature of capitalist system and completely use the principles of the market economy to guide the development of the socialist commodity economy departing from the mode of the planned economy.

Reform Measures Need Time To Be Effective

The reason for the party and state to persevere in carrying out reform or the starting point and aim of all the policies concerning the reform is to make the country prosperous and powerful and the people well-off and happy. Fundamentally speaking, reform will surely promote the development of the social productive forces, consolidate and perfect our socialist system and the socialist modernization construction in our country. It conforms completely with the long-term and fundamental interests of the people of the whole country and every social member.

However, in reform and especially in the reform in urban areas where various relations are more complex and complicated, will the implementation of each reform measure bring immediate and visible material interests to each social member? We just cannot view this question in this way and make such demands.

First, in economic reform and especially in urban economic reform, some reform measures need a certain period of practice time to become effective; some also need the good coordination of other relevant reforms to become effective. Take the reform of the price system and the price control system for example. Either carrying out structural readjustment of some irrational price relations or decontrolling some prices to establish floating or free-market prices can cause some commodity prices to rise for certain time and affect to a certain degree the actual interests of the people. However, the stimulative role of the rational readjustment and decontrol of prices in developing production, its promotive role in carrying out rational readjustment of production structure and invigorating economy as well as the price stability reappearing on such a basis and more actual benefits to the people would need a certain time to show up and be fully acknowledged by more people. If we only stress the "instant results" of the reform, people would tend to oversimplify the reform and make feverish demands on the results of reform. Or, due to a change from high hopes to disappointment and from disappointment to being sulky, they would even be shaped into forces reacting against the reform and resist the reform mentally. Of course, this is very unfavorable to the smooth progress of the reform. Therefore, during the reform we should not make too many early promises. In this aspect, we should also encourage doing more and speaking less.

Second, during the process of reform and the transition between the new and old structures, a certain kind of redistribution of vested interests will unavoidably exist. For example, following the smashing of the system of "everybody eating from the same big pot," those people who worked hard under this system or will work harder in the future would certainly get more actual benefits. However, those people who did not work hard in the past and are not willing to work hard in the future would obviously not and also should not continue to get the vested interests under the old system as before. Giving a clear explanation of this situation would probably be advantageous to inspiring people all to display the spirit of actively forging ahead.

The Process of Reform and Opening Up to the Outside World Is Also A Process of Constantly Checking Unhealthy Tendencies

During the process of carrying out the reform and expanding opening up to outside world, the breeding and spreading of various unhealthy tendencies create serious interference in the reform and opening up to the outside world. In order to correctly and effectively check and rectify the unhealthy tendencies, we should adopt an analytical attitude toward the so-called "source" of the unhealthy tendencies and get a correct understanding. If people just simply and sweepingly attribute the unhealthy tendencies to the reform and opening up to the outside world, this viewpoint is not analytical and proper. Moreover, it is also unfavorable to our common effort to persevere in uniting the whole party and the people of the country under the leadership of the CPC Central Committee to jointly check and rectify unhealthy tendencies.

The main sources of unhealthy tendencies are first, the influences of the exploiting classes' moribund and decadent ideologies left by the old society, and second, the influences of individualism and anarchism viciously inflated during the "Cultural Revolution." Of course, we should also notice that some leading organs or party-member leading cadres also help upgrade unhealthy tendencies or directly violate party and government discipline and the law. Some unhealthy tendencies were actually stirred up by some departments, units, and individuals in the name of reform. Meanwhile, as we do not have much experience in economic structural reform, it is unavoidable that during the process of reform some shortcomings and errors might crop up and that the reform measures could not become perfect overnight.

Therefore, some unhealthy tendencies have exploited loopholes in some of the reform measures. However, we just cannot attribute unhealthy tendencies generally to reform simply because of these. Otherwise, we would easily and simply come to the conclusion that only by bringing the reform to a close can we check and rectify unhealthy tendencies. Of course, this is obviously inappropriate. Reform conforms with the immediate and long-term interests of the Chinese people and the fundamental way out for China. Checking and rectifying the unhealthy tendencies is to better ensure the smooth progress of the reform. Long ago, the central authorities explicitly pointed out in the "decision of the CPC Central Committee of the economic structure" that "the more we enliven the economy and invigorate enterprises, the more we must pay attention to combating the corrosive influences of capitalist ideas, eliminating the decadent practice of seeking personal gain by abusing one's position and authority, and preventing any action that seriously harms the interests of the state and the consumers, and the more we should strengthen the building of a fine party style and sense of discipline." Thus, we can see that at the time when the overall reform focusing on the urban areas was about to be gradually unfolded in the whole country, the central authorities sounded an alarm for the whole party that the growth of unhealthy tendencies goes against the fundamental demand of the central authorities. There is also another viewpoint that the growth of unhealthy tendencies is a result of the adoption of the policy of opening up to the outside world. The central authorities pointed out long ago that the adoption of the policy of opening up to the outside world would bring us many favorable factors which would greatly promote our country's four modernizations construction but also some unfavorable negative factors referring mainly to the impact of the decadent and moribund capitalist ideology and lifestyle in the west. It is entirely necessary and correct to point out that the latter would become a factor in breeding unhealthy tendencies, so as to put the people on guard. However, it is not correct to completely attribute the growth of unhealthy tendencies to the adoption of the policy of opening up to the outside world. The policy of opening up to the outside world is a long-standing fundamental state policy of our country as well as a strategic measure for speeding up the four modernizations drive. With the further expansion of opening up to the outside world, Western countries' advanced experiences in science and technology and business management will be introduced along with their decadent and moribund ideology. However, we should not give up eating for fear of choking. We should up hold the "two-point" policy repeatedly stressed by the central authorities, namely, to persist in opening up to the outside world; and second, under this condition to resolutely resist the corrosive influence of the moribund and decadent ideology and lifestyle of capitalism.

In a certain sense, we can also hold that the reform and opening up to the outside world itself is a process of constantly doing away with the old and setting up the new, solving problems, correcting mistakes, and forging ahead. Bringing order out of chaos since the 3d Plenary Session of the 11th CPC Central Committee has corrected the mistakes of the "Cultural Revolution;" and the implementation of the principle of "readjusting, restructuring, consolidating, and improving the national economy" has put an end to the serious imbalance in major proportional relations in the national economy shaped over a long period of time. During the process of reform and opening up to the outside world, new problems will unavoidably crop up constantly and some errors may also occur. Nevertheless, the process of solving problems and correcting errors is the process of unceasing progress and gradual development for reform and opening up to the world. The exposure and gradual elimination of unhealthy tendencies will surely make our party more brilliant and also make the restructuring of our domestic economy and opening up to the outside world even better.

Doing Away With the Old and Setting Up the New Should Be Linked in Reform

Since the reform is necessary, we should, of course, do away with the old things which are incompatible with the times and emphasize and bring into play the spirit of actively blazing new trails and forging ahead.

Otherwise, reform cannot be carried out. However, we cannot and should not repeat the previous wrong practice of "smashing it first." We should strive to dialectically link the relations between doing away with the old and setting up the new. While doing away with the old rules and regulations fettering the development of productive forces, we should adopt new methods and measures and work out and perfect new rules and regulations as quickly as possible, so as to rapidly put economic life onto the new right track. We should try to avoid the situation that after the old has been smashed, the new cannot be set up, thus not creating opportunities for people engaging in unhealthy tendencies and lawbreakers to take advantage of. Therefore, we are required to carefully think things over and avoid either acting hastily or only doing away with the old but not setting up the new.

Judging by the experiences gained in the reform practice not long ago, we should pay special attention to the following points: first, the scope, degree, and plan of the state's reduction of direct control over the activities of enterprises or microeconomy should be in conformity with the state's capabilities for strengthening indirect control over macroeconomy. If on the one hand, direct control is reduced and the policy of invigorating the domestic economy and opening up to the outside world is adopted, but, on the other hand, indirect control cannot keep pace with it, relevant methods and systems are not worked out, and means of economic regulation are not well employed, the phenomenon of the macroeconomy being out of control would easily occur. Second, it is necessary to correctly understand and employ administrative means. In the previous economic structure, we excessively employed administrative means to directly interfere with the productive operations of enterprises. Thus, the development of productive forces was hindered, due to too many and too rigid controls. This kind of abuse must be rooted up. Therefore, gradually reducing the employment of administrative means but adopting more economic means to administer the economy is the orientation of our reform. This must be understood. However, we must also notice that the necessary adoption of administrative means in the management of the socialist economy is indispensable at any time. It is difficult to abolish all administrative means while maintaining the main frame of the planned economy. Moreover, under the condition that not long ago the macroeconomy was, to a certain extent, out of control and some new unstable factors emerged in economic life, within a certain period of time the employment of administrative means should also be strengthened. By doing so, we shall reduce the employment of administrative means in the future. Third, the procuratorial and supervisory systems should be gradually perfected. While enterprises are invigorated and the economy becomes enlivened, if we do not have the necessary procuratorial and supervisory organs and sound and well-organized procuratorial and supervisory systems, it will be difficult to better plug the loopholes in economic life and better safeguard the interests of the state and consumers. Fourth, it is imperative to make the work of economic legislation and judicature closely keep abreast of the reform and strengthen the work of legislation while carrying out the reform. The progress of the economic structural reform and the further development of the national economy increasingly demand fixing economic relations and the norms of economic activities in the form of laws, so as to make law an important means for regulating economic relations and economic activities.

Reform Should Be Carried Out in an Orderly and Well-Coordinated Way in a Number of Stages

We can never act recklessly and try to achieve the expected goal of our reform in a single move. Reform is a cause that should be carried on continuously and be divided into a number of stages too. That is, we should conduct reform in an orderly and planned way.

In our reforms, especially the urban reforms, relations between economic activities in all fields are very close, and cooperation and coordination are necessary in modern socialized production.

Therefore, our reforms in each field cannot be carried out separately and must be well coordinated. We should give consideration to the influence of each reform measure in all related fields. Only thus can we achieve better results. In the whole country, there should be an overall reform program; and in a city, there should also be an all-round plan. At present, priority should be given to the reform measures favorable to economic stability, favorable to effective macroeconomic control, favorable to economic legislation, to the enforcement of economic laws, and to economic supervision, favorable to the proportionate development of the economy and the rationalization of the industrial structure, and favorable to the prevention of overheated economic activities and the prevention of the excessive growth in capital construction. If these issues are properly resolved through reform and our work, we will further control the macroeconomic links which were out of control in the previous period, will further rationalize various economic ratios, will further stabilize our economic life and create a better economic environment for reform, and will more effectively promote the orderly development of comprehensive reform. By successfully taking this step and achieving obvious results in improving the economic environment, we will be able to go ahead in reform and improve our planning, monetary, financial, and taxation systems so as to develop a socialist commodity market and to perfect the market system. Reforms in all these fields must be well coordinated and must not be carried out separately. The most important task is to, under the guidance of plans, gradually establish a sound system of socialist markets, including commodity markets, funds markets, and technology markets, and to establish a price system which can reasonably and sensitively reflect relations between supply and demand on the markets and the changes in social labor productivity and which can meet the needs of the development of the national economy so as to promote the full development of the socialist planned commodity economy on the basis of public ownership and to gradually form a vigorous and dynamic new-type socialist economic structure. Corresponding to the above-mentioned two reform steps, we should further streamline and reform state economic management institutions.

Outlook and Prospects for Our Reform

Through practice in the past 7 years since the 3d Plenary Session of the 11th CPC Central Committee, we have found the road to build socialism with Chinese characteristics, and we can see more and more clearly the outlook for our economic structural reforms. Here, I would like to discuss several main points about the prospects for our economic reform.

The central issues that should be solved in the course of reform: With the in-depth development of the reforms, two issues must be properly solved. First, we must further invigorate enterprises, especially the large and medium-sized state-owned enterprises. This is the central link of the economic structural reforms in cities, is the starting point and footing for the reforms, and is the foundation for enlivening the economy as a whole. Second, we must strengthen the state's macroeconomic control, management, and regulations so as to bring the overall economic situation under effective control. The essential requirement in these two aspects is to seek a whole set of mechanisms and means to ensure effective macroeconomic management and enliven microeconomic activities and to perfectly and organically integrate plans and markets. This is the most difficult and also the most important issue that must be solved in reform, and it is a central issue that concerns the whole situation.

The way to invigorate enterprises, especially large and medium-sized state-owned enterprises: In order to improve external conditions for the enterprises, we should, first, continue to streamline administration and decentralize management power on the principle of separating government from enterprise functions. It is necessary to really and thoroughly delegate the microeconomic decision-making power and enterprise management power to the enterprises. This power must not be withheld by administrative institutions at various levels.

Second, large and medium-sized state-owned enterprises which operate efficiently, make great contributions to the state, and retain a relatively low proportion of profits in their hands should be allowed an appropriate reduction of taxes and profit contributions. In particular, regulatory taxes on them can be appropriately reduced. Third, mandatory plans and tasks assigned to these enterprises should be further reduced gradually and appropriately and enterprises should be allowed to sell a larger proportion of their own products by themselves. While adopting the above reform measures, we should pay special attention to maintaining an equilibrium between total social demand and total supply and should try to create a situation in which supply slightly exceeds demand so as to form a buyers' market. This will prompt the enterprises to seriously improve their management and operations and to make rapid progress in technology in order to win a better position in market competition.

Enterprises, especially large and medium-sized state-owned enterprises, should fully and properly use the decision-making power granted them by the state, speed the pace of their internal reform, perfect their economic responsibility systems based on all types of contracts, strengthen quality control and technological management in an all-round way, and effectively tap the great potential in these enterprises through improving product quality and raising economic efficiency. In order to speed internal reforms in enterprises, it is necessary to resolutely reform the personnel system inside enterprises, especially in large and medium-sized state-owned enterprises and to promote a number of competent people who have courage, insight, and management skills to the leading bodies of the enterprises. It is also necessary to gradually adopt the system under which enterprise managers' responsibilities are clearly specified in the contracts signed between the higher authorities and the management bodies of the enterprises. That is, a management responsibility system based on contracts should be adopted in the enterprises.

Bringing the functions of cities into full play and gradually perfecting the socialist commodity market. Our reforms should serve the purpose of developing a socialist commodity economy in a planned way on the basis of public ownership, so it is necessary to bring the manifold functions of the cities into full play and to gradually establish and perfect an open rather than close, unified rather than separated socialist market. On the one hand, cities should no longer interfere in the routine business activities and production of the enterprises through issuing administrative orders as in the past; on the other hand, all cities should open their doors to other cities and other areas.

The development of the socialist commodity economy will inevitably require the further expansion and improvement of the socialist commodity market. Therefore, we not only should develop the markets for consumer goods, but should also allow more production materials and capital goods to enter markets for free transactions by gradually narrowing the scope of production materials and capital goods allocated by the state authorities. Along with the development of the commodity market, there must also be the fund markets and technology markets. Reasonable movement of labor force should also be promoted so as to meet the needs in the development of markets. Cities should all open their doors and welcome all people, no matter whether they represent public or private enterprises and whether they come from the north or south, to do business, make investments, arrange cooperation, and conduct technological exchanges.

The coordinated reforms and the use of various economic regulatory mechanisms: This includes issues concerning the reforms of our planning system, price system, labor and wage system, monetary system, and foreign trade and foreign exchange management.

The main body of our economic plans will gradually shift from mandatory plans to guidance plans, and the main means of our economic management will gradually change from direct control into indirect control. This is the central task in the reform of our planning system.

Under the socialist conditions in our country, we will maintain some mandatory plans, but the scope of mandatory plans will be narrowed, and the scope of guidance plans will be gradually expanded. At any time, administrative means will still be used for economic management, and sometimes the administrative means should be strengthened. But our general orientation is to reduce the use of this means step by step. The reduction of mandatory plans and the use of administrative means, as well as the decontrol of microeconomic activities, should all be coordinated with the strengthening of the state's macroeconomic management and the authorities' ability to use economic regulatory mechanisms.

In price reform, we should be good at applying the "four-character" formula, namely, "decontrol, readjustment, participation, and management." By "decontrol," we mean that prices for some commodities should be gradually allowed to change freely according to the relationship between supply and demand on the markets, thus gradually becoming floating or free prices. By "readjustment," we mean that the state should take the initiative in readjusting price differences between commodities of different quality and readjusting price parities between different commodities. By "participation," we mean that state-owned industrial and commercial enterprises and the state departments in charge of material supply should hold some commodities in their hands so that they can participate in regulating market conditions and stabilizing the prices. By "management," we mean that price management should be conducted at various administrative levels. In the future, the state will continue to exercise management over prices, but the management will not be so highly centralized as before.

In addition, we will continue to explore ways that are in line with our national conditions to conduct reforms of the wage system, the monetary system, the foreign trade system, and the foreign exchange management system.

The readjustment and streamlining of the state organs for economic management: In general, comprehensive economic departments will make their policy decisions more scientific and concentrate on macroeconomic management by freeing themselves from concrete affairs. They should also strengthen their decision-making brain trusts. The functions of some departments which take charge of specific industries are often overlapping, and they should be further streamlined. The functions of these departments in managing the enterprises' production, supply, marketing, personnel, and financial affairs should be weakened. However, they should pay more attention to planning the development orientation of the industries they take charge of and should strengthen their functions to rationalize the industrial structure and the enterprises' organizational structure. In addition, the departments for economic legislation and the enforcement of economic laws should be further strengthened. All leading departments must have the viewpoint of serving the grass-roots units.

Because of the limitations of the length of the article and of my understanding, the above points may not be all correct and perfect. However, our practice has shown a clearer and clearer road for our economic reforms, and we have accumulated more and more experience. This must be fully affirmed, and we should highly value and cherish our achievements and experience.

PURSUIT OF RISK INVESTMENT STRATEGY DETAILED

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[Article by Ling Wancheng and Liu Kao: "Risk Investment in China"]

[Text] China's first financing enterprise specializing in risk investment in developing new technologies -- the China New Technology Investment Corporation -- was founded on 28 December 1985 with the approval of the State Council.

This company is under the dual leadership of the People's Bank of China and the State Science and Technology Commission, and its capital is jointly held by these two state institutions. The founding of such a company is a new experiment in China's economic, technological, and financial structural reforms.

What Does Risk Investment Mean?

Risk investment is a mechanism combining financial arrangements with the development of new technologies. Song Jian, minister of the State Science and Technology Commission, used some vivid figures of speech to describe the function of risk investment. He said: Risk investment is an important "bridge" linking large quantities of new technological achievements to social life, is a "hotbed" for breeding high technology products, is a "matchmaker" for the marriage between high technological achievements and the commodity economy, and is a "guide" to the development of new industries.

Risk investment originated in the United States in the late 1940's. After the end of World War II, the electronics industry and other new technologies emerged successively, and the investment activities which turned the new technologies into new products boomed. Now risk investment has became a major branch of economic activities in the world.

Developing Risk Investment Is Necessary

A major drawback of China's existing scientific research systems is that research achievements cannot be rapidly and effectively turned into commodities and be used in the production process to produce economic benefits. This state of affairs is more obvious in the new industries based on high technology. China develops many new technologies and makes many research achievements every year, but they remain at the stage of samples, gifts, and exhibits for a long time and have few opportunities to really enter people's socioeconomic life as commodities people can buy, sell, and use. These new technologies and research achievements can hardly promote the updating and renewal of social products, enhance labor productivity, and accelerate the accumulation of social wealth.

The greatest obstacle to the shift of technological achievements to social products is the shortage of funds. Banks usually just offer loans to the guaranteed projects and enterprises, as they do not quite understand the development of the new technological projects which will conduct trial production. For research departments, research items under trial production fall out of the scope of research and belong to the scope of production. But state economic departments care only about some large-scale research projects. Many smaller scale technological items with good market prospects, potential for intense economic efficiency and which involve risk cannot be further developed and shifted to production; no department is willing to allocate funds, and no bank is willing to offer loans. They are simply cast aside. This is the background against which people began to seek a mechanism to link technological development with funds.

Risk Investment Is Feasible

The contemporary technological revolution in the world is playing two major roles in economic development: First, it enables the new industries based on high technology to replace the traditional industries and to take a leading position in the economy; second, it helps high technology infiltrate traditional industries so as to effect major structural changes in these industries. These two aspects, however, all depend on the support of large amounts of funds. That is the reason why risk investment has been booming over the past decades.

In October 1983, Premier Zhao Ziyang pointed out: We should take action to meet the challenge of the new worldwide technological revolution. Chairman Deng Xiaoping also said: The long-standing problem of scientific research and technological development being separated from economic activities should be resolved as soon as possible.

In November 1984, the development strategy institute of the research center for promoting and developing China's science and technology put forward a "proposal on making feasibility studies for the establishment of a risk investment company." This proposal pointed out the disadvantages of the existing system under which the government directly controls funds for technological development. As a result, large quantities of new technologies cannot be efficiently shifted to commodity production. The proposal said that the measure of making risk investment should be taken as soon as possible so as to make up for the shortage of funds for developing new industries.

A leader of the State Science and Technology Commission made an instructive comment on the proposal: "This is a good proposal. The referent studies should be start immediately, and the report should be submitted before the Seventh 5-Year Plan is officially passed."

This marked the beginning of the study of risk investment in China. The research center for promoting and developing China's science and technology studied the practice of risk investment in foreign countries and sent some investigation groups to such developed coastal areas as Guangdong and Fujian and to Beijing Municipality to discover the feasibility of making risk investments there. According to the large quantities of data and the results of the investigations, the research center reached the following conclusions:

-- There are numerous sources of technology for the founding of risk investment undertakings in China, and there are many promising high technology products with great potential. The supply of such advanced technology can be guaranteed through various channels such as the introduction of technology, transactions on the technology market, and the transfer of research achievements.

-- There are a number of entrepreneurs who have technological knowledge, management skills, and a pioneering spirit. According to statistics, there are more than 6 million scientific and technological personnel in the whole country, with over 1.04 million of them at and above the intermediate level. There are about 10,000 research units in the whole country.

-- Risk investment undertakings can get funds from various sources. The development of the rural economy and the expansion of enterprise decision-making power have continuously increased available funds scattered in society. In 1984, the sum of private savings, working funds, and enterprise funds reached 350 billion yuan. If an investment mechanism is built to make flexible use of these idle funds and funds not included in state plans, they will be partly used to develop new technologies and to shift these technologies to the production process. This will greatly promote China's economic development. In addition, many localities are willing to allocate some money from their finances to the special risk investment funds.

-- The reform of the technological system will bring about broad prospects for the market for high-technology products. The development of the technology market, the compensated transfer of technology based on a contract system, the trial implementation of the science fund system, and the appearance of research-production combination bodies will bring about unprecedented prosperity in the field of science and technology.

The Founding of the New Technology Development and Investment Company

The investigation and study group for the issue of risk investment submitted a study report to the leaders of the State Science and Technology Commission, proposing that a limited liability company be established to specialize in making risk investments in developing high technology. The group also designed the forms, management methods, technological spheres, geographical distribution, and organization of risk investment. The State Science and Technology Commission and the State Council gave full support to this imaginative and scientific proposal. On 4 April 1985, the leading party group of the State Science and Technology Commission held a meeting to discuss and pass the proposal and program for establishing the China risk investment corporation. This point was also written into the CPC Central Committee's decision on reform of the technological system. "Support should be given to the founding of investment institutions which specialize in developing high technology which may incur some economic risks."

In April 1985, the State Council and the economic and financial affairs leading group of the CPC Central Committee approved the establishment of the China New Technology Investment Corporation, and agreed with the form of risk investment in order to support the development of new technology. The State Science and Technology Commission then set up a preparatory group for the establishment of this company. The concrete options were submitted for comment to the June meeting to exchange technological achievements.

At the same time, China began to reform its financial system and a financial market began to take shape. This paved the way for movement of funds and for horizontal financing activities and provided a better environment for the founding of the risk investment company.

LIAOWANG EXPLAINS ENTERPRISE BANKRUPTCY LAW

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[Article by Sun Yaming, adviser to the Economic Legislation Research Center of the State Council and vice president of China's Economic Law Society: "China's Enterprise Bankruptcy Law, Which Is Being Formulated"]

[Text] In order to carry out the policy of reform, opening up to the outside world, and invigorating the domestic economy, we have discussed the following questions while formulating China's enterprise bankruptcy law:

The Reason for Formulating the Enterprise Bankruptcy Law

The reasons for formulating China's enterprise bankruptcy law are as follows:

-- To meet the need to smoothly carry out reform of the overall economic structure centering on our cities. Formulating China's enterprise bankruptcy law and establishing the socialist enterprise bankruptcy system are an important aspect of our economic structural reform. Leaders and workers of enterprises must establish the concept of competition, value, market, and risk while firmly establishing the concepts of reform, law, and an overall point of view. The so-called concept of risk means that we should recognize that if an enterprise is unsuccessful, it will run the risk of bankruptcy. So the socialist enterprises must be successful, not unsuccessful. This is an important criteria for demonstrating that socialist enterprises are responsible to the country and its people.

-- To meet the needs of developing a socialist commodity economy. Proceeding from China's reality, while extensively carrying out socialist competition, we must, according to the principle of promoting the good and eliminating the bad through competition, enable most of the several million enterprises throughout China to vigorously develop, actively compete, continuously increase economic results, and strengthen competitive strength so as to provide high-quality and reasonably priced commodities for the society. In the increasingly keen competition, a minority of enterprises will inevitably to bankrupt because of poor management. Under such circumstances, economic construction will be damaged if we do not have an enterprise bankruptcy law to deal with these cases of bankruptcy. The bankruptcy law is an important legal norm in our use of legal methods to control the economy and correctly deal with cases of bankruptcy.

-- To meet the needs of reducing the state's financial burden and practically improving the management and operation of the enterprises. Before 1979, China had implemented an excessively centralized economic management structure and a unified purchase and marketing system. All revenues and expenditures were handled by the state in a unified way. Profits of the enterprises were turned over to the state, and losses of the enterprises were subsidized by the state. In recent years, along with development of the reform of China's economic structure, on the one hand, the decision-making power of the enterprises run by the state has gradually been expanded; on the other hand, the state's macroscopic control over the national economy has also gradually been strengthened. At the beginning of 1983, in order to raise the economic results of the enterprises and reduce the number of deficit-ridden enterprises, the State Council instructed the various areas and departments to stress turning losses into profits while vigorously developing production. By the end of 1983, after a year of hard work, the number of unprofitable state industrial enterprises had been reduced by more than 4,200 and the amount of loss reduced from 4.27 billion yuan to 2.79 billion yuan. By the end of 1984, the number of the unprofitable state industrial enterprises was reduced by another 1,400 compared with 1983, and the amount of loss was reduced to 2.16 billion yuan. Among these, business losses were reduced from 60 percent in 1981 to around 40 percent in 1984. For quite some time, the losses of state industrial enterprises, especially business losses, were subsidized by the state. This method was detrimental to the development of the socialist commodity economy, because, on the one hand, state finances had to shoulder a burden of billions of yuan, on the other hand, by depending on state subsidies, some enterprises lost their vigor and were not keen on increasing production. Moreover, subsidizing enterprises means supporting backward enterprises and hampering advanced enterprises from greatly developing socialist economic results. To reverse this situation and cast away the old practice of "eating from the same big pot," it is necessary to formulate a socialist enterprise bankruptcy law.

Is It Possible That Enterprises Run by the State Will Go Bankrupt?

Some people think it is impossible for socialist state enterprises to declare bankruptcy. This is not so. If state enterprises cannot operate well, they should go bankrupt. All enterprises that bankrupt -- be they collective enterprises, joint ventures, enterprises run through cooperation with foreign businessmen, enterprises with exclusive foreign investment, or state enterprises -- must be dealt with according to China's enterprise bankruptcy law. How will state enterprises pay off debts when they go bankrupt? They should use the fixed assets allocated to them by the state, various kinds of funds under their control, and self-owned funds to pay off their debts. It is acknowledged that the fixed assets of state enterprises belong to all people and not to the enterprises themselves.

If fixed assets belong to all the people, how can state enterprises use these to pay off their debts? It is because China presently has 300,000 state enterprises, nearly 100,000 of which are state industrial enterprises. So it is impossible and unnecessary for state organs, especially government departments, to directly operate so many enterprises. The practical experiences of China's economic construction for the past 30 years tell us that if government departments directly operate enterprises, subjectivism and bureaucratism will inevitably prevail. This will make enterprises dependent upon administrative organs, restrict the vigor and vitality of the enterprises, and dampen the enthusiasm, initiative, and creativity of the workers.

The CPC Central Committee's decision on reform of the economic structure clearly points out: "Ownership and power of operation can be duly separated." This means that except for a few special cases, government departments will not directly operate enterprises in the future. Government departments will instead administer, examine, guide, and coordinate state enterprises through state plans and economic, administrative, and legal methods, that is, exercise macroscopic administration and macroscopic control over the enterprises. This kind of control is not direct control, but indirect control. Indirect control means to bring into play the coordinating role of all kinds of economic levers and perfect economic legislation and economic supervision.

To enable state enterprises to truly become relatively independent economic entities, true legal representatives of the enterprises, and socialist commodity producers and operators who can operate by themselves and be responsible for their own profits and losses, the state should also delegate to the enterprises the power to possess, use, and deal with the fixed assets allocated to the enterprises. This means that the state authorizes state enterprises to practically exercise the right to own and dispose of the fixed assets. Thus, the state enterprises can always make full and reasonable use of their machines and factory buildings, successfully turn raw materials and auxiliary materials into commodities needed by the society, and properly carry out technological transformation and equipment renewal. When state enterprises go bankrupt, they can use their fixed assets to pay the debt. This does not mean the state has been deprived of its right to own the fixed assets of the state enterprises. The state's ownership of state enterprises' fixed assets gives the state the right to administer and supervise the state enterprises, collect from the state enterprises by means of revenue and some other means net income which is to be used by the state in a unified way, and appoint, approve, or select leaders of the enterprises. It also gives the state the right to set up, close, combine, and move enterprises and stop or change the production of the enterprises.

While they are specifically exercising their right to own, use, and deal with the fixed assets, the state industrial enterprises must also be correspondingly responsible to the state. This mainly means that state industrial enterprises must fulfill state plans, guarantee the quality of their products, and be responsible to their consumers and customers. At the same time, state industrial enterprises must observe financial discipline, pay taxes, and turn over their profits to the state, trying at the same time to not only guarantee the value of the fixed assets, but to enable the value of the fixed assets to graudally increase in order to carry out expanded reproduction.

If state enterprises did not have the use their fixed assets to pay off debts when they went bankrupt, while collective enterprises and other types of enterprises had to use all their property -- including fixed assets -- to pay their debts, then state enterprises would be in a special position, This would be extremely unfair. It would also not conform to the law governing development of the commodity economy. So the state has delegated to state enterprises the powers to own, use, and deal with the fixed assets allocated to state enterprises. This is quite necessary to the development of the socialist commodity economy and development of the horizontal economic contacts among enterprises.

The "general regulations of the civil law of the People's Republic of China (draft)" correctly stipulates: "The legal representative of the enterprises owned by all the people shoulders civil responsibility for the property managed and administered by them." This will be an important legal basis for dealing with cases of bankruptcy by state enterprises.

The Main Contents Which Should Be Included in the Law of Bankruptcy

-- The guiding ideology in the legislation. China's enterprise bankruptcy law must be beneficial to socialist economic construction. In dealing with enterprises which are on the verge of bankruptcy, it must, first of all, aim at carrying out detailed investitations and analyses, try to reform and rectify those which can probably be saved, enable them to recover their vitality so that they can continue to operate, and make due contributions to the society by creating wealth. Only those enterprises which cannot recover their vitality after being reformed and rectified or which do not have necessary conditions for reform and rectification will be declared bankrupt by the people's court according to the law. So the basic spirit embodied in China's enterprise bankruptcy law mainly stresses rectification rather than bankruptcy.

-- The area of application. China's enterprise bankruptcy law is not only applicable to enterprises owned by all the people and collective enterprises or collective companies. It is also applicable to joint ventures, enterprises jointly managed by Chinese and foreign businessmen, enterprises or companies with exclusive foreign investment, various kinds of cooperative enterprises, and companies and combined economic organizations.

In dealing with cases of bankruptcy among agricultural, industrial, and commercial household enterprises, we can refer to relevant regulations of the enterprise bankruptcy law. When conditions become ripe in the future, we will formulate a bankruptcy law for agricultural, industrial, and commercial household enterprises.

-- The limits of bankruptcy. The preliminary concept of bankruptcy is "to be unable to pay off debt which has become due for payment." Enterprises in any of the following categories can be declared bankrupt: 1) Debt accounts for 90 percent of the registered funds of the enterprises (or companies), and the enterprises (or companies) are unable to pay off the debt which has become due for payment; 2) the total irremediable loss of the enterprise accounts for 80 percent of the registered funds, and the enterprises are unable to pay off the debt due for payment.

-- The composition and tasks of the committee to administer, deal with, and supervise cases of bankruptcy. Bankruptcy cases should be dealt with by the people's court in the locality where the department responsible for enterprises on the verge of bankruptcy is located. The enterprises on the verge of bankruptcy, the creditors of the enterprises, the local people's government's planning commission, economic committee, industrial and commercial administrative bureau, financial and revenue department, local people's bank, and department responsible for the enterprises can all apply to the relevant court for rectifying the enterprises or declaring them bankrupt. After the court places the case on file for investigation and prosecution, a supervisory committee will be formed by the court. Members of the supervisory committee should be representatives of the above mentioned relevant departments. The supervisory committee will be responsible to the court and report its work to the court. The task of the supervisory committee is to go to the enterprises on the verge of bankruptcy to carry out investigations and help the enterprises make rectification plans. If an enterprise does not have the conditions for rectification, the supervisory committee will advise the court to declare it bankrupt. During the period of rectification, the supervisory committee is responsible for supervising the work of rectifying the enterprises. After the enterprises have been declared bankrupt, the supervisory committee is responsible for taking care of, checking up on, appraising, selling off, and distributing the property of bankrupt enterprises.

-- The creditors' meeting. The task of the meeting is to examine the certificates and other relevant documents of the creditors, decide on the number of creditors, discuss, and vote on the rectification plan put forward by the enterprises on the verge of bankruptcy. After the rectification plan is examined and approved by the supervisory committee, the plan should be submitted to the court for adjudication.

-- Distribution of the property of bankrupt enterprises and the order of paying off the debt. When bankrupt enterprises pay off their debt, they must first pay the workers salaries and the revenue they owe. They will then distribute among the creditors the property of the bankrupt enterprises according to the percentage their credits occupy in the property of the bankrupt enterprises. The creditors who have insured the property of the bankrupt enterprises have the right to claim before other creditors repayment for all property or that part of the property they have insured.

-- How to resettle workers after enterprises go bankrupt. The labor department or labor service companies must try their best to provide jobs for workers of bankrupt enterprises. The workers can also look for jobs by themselves The workers can also get some bankruptcy relief funds from the social guarantee institutions according to the relevant regulations. This can help maintain the workers' standard of living.

-- Regulations for punishment. Those who embezzle, hide, destroy, or throw away property belonging to the bankrupt enterprises or fabricate debts should be punished according to the law. Leaders of bankrupt enterprises who are responsible for the bankruptcy should not be appointed to new leading posts or be allowed to manage new enterprises for 3 years. Instead, they should be punished economically. The people concerned in the departments responsible for the bankruptcy of the enterprises should also receive some sort of disciplinary sanctions and economic punishment.

ZHAO ZIYANG, HU QILI VISIT HAINAN FOR FESTIVAL

OW081533 Beijing XINHUA in English 1515 GMT 8 Feb 86

[Text] Guangzhou, February 8 (XINHUA) -- Premier Zhao Ziyang today extended Spring Festival greetings to Li and Miao minority people on Hainan Island wishing them happy new year and a more prosperous life. Zhao, together with Hu Qili, a Political Bureau member of the Central Committee of the Chinese Communist Party, and Vice Premier Tian Jiyun dined with local people in a Miao village at the foot of the Wuzhi (five-fingers) Mountains in accordance with the tradition and toasted the unity of the country's all 56 nationalities. They then called on peasants in a Li village. They also visited some returned Overseas Chinese working on a state farm on Thursday.

[Beijing XINHUA Domestic Service in Chinese at 1131 GMT on 8 February transmits a similar item, with the following additional information: "Lin Ruo, secretary of the Quangdong Provincial CPC Central Committee, accompanied Zhao Ziyang and other comrades in visiting the Wuzhi mountainous areas."]

Greet Hainan PLA

OW091708 Beijing XINHUA in English 1654 GMT 9 Feb 86

[Text] Guangzhou, February 9 (XINHUA) -- Premier Zhao Ziyang this evening went to Yulin, the southern tip of Hainan Island, and offered greetings of the Communist Party Central Committee and the State Council to the men of the People's Liberation Army stationed there. Today is the Spring Festival, New Year's Day on the lunar calendar.

He was travelling with Hu Qili, member of the C.P.C. Central Committee's Political Bureau, and Tian Jiyun, vice-premier. The leaders wished the P.L.A. men a happy new year and still greater successes in their work. They attended a film show with the P.L.A. men. Lin Ruo, secretary of the Guangdong Provincial Committee of the C.P.C., was accompanying them on the tour.

HU YAOBANG ATTENDS TOWNSHIP CELEBRATION IN YUNNAN

HK111428 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 10 Feb 86

[Recorded report: "Comrade Hu Yaobang Happily Spends Spring Festival With the Masses of All Nationalities in Four Townships in Luoping County"]

[Excerpts] On the afternoon of 8 February, a stockaded village in (Tangdi) Township, Banqiao District, Luoping County, was astir with jubilant crowds. Hu Yaobang, general secretary of the CPC Central Committee, attended a get-together here which was held by the masses of the Bouyei, Miao, Yi, and Han nationalities of four townships -- (Tangdi), (Fada), (Boyi), and (Xiapo). They happily celebrated the joyous 1986 Spring Festival. To warm applause, Comrade Hu Yaobang first wished the masses of all nationalities a happy year.

[Begin recording] Comrade Hu Jintao, secretary of the Guizhou Provincial CPC Committee, is first asked to speak. On behalf of the 30 million people of all nationalities in Guizhou Province, I wish the people of all nationalities in our fraternal Yunnan a happy year. [end recording]

At the joyous get-together, while General Secretary Hu Yaobang was watching the literature and art programs performed by young people of various nationalities, he cordially talked with grass-roots cadres. He thoroughly inquired about the situation in local production and income. When the get-together was about to end, Comrade Yaobang and leading comrades including Hu Jintao, Pu Chaozhu, and Liu Shusheng stood up, went to the masses, and danced the dance of unity of nationalities with their hands joined with the masses.

XI ZHONGXUN, QIAO SHI GREET HOANG VAN HOAN

OW091238 Beijing XINHUA in English 1228 GMT 9 Feb 86

[Text] Beijing, February 9 (XINHUA) -- Chinese party leaders Xi Zhongxun and Qiao Shi exchanged festival greetings with veteran Vietnamese revolutionary Hoang Van Hoan here today on the occasion of the Spring Festival. Hoang, 81, came to China in 1979.

Xi Zhongxun and Qiao Shi, both members of the Political Bureau of the Chinese Communist Party Central Committee, warmly embraced Hoang when they arrived at the latter's home. Xi praised Hoang for his efforts to promote friendship between the Chinese and Vietnamese peoples. He also congratulated him on the completion of his 200,000-word memoirs. "What you have done for the Sino-Vietnamese friendship will constitute a prominent page in the annals of the Sino-Vietnamese relations," Xi said to Hoang. Noting that the friendship between the two peoples was fostered by the late Chinese leader Mao Zedong and the late Vietnamese leader Ho Chi Minh, Xi Zhongxun said that the Chinese people would always regard the Vietnamese people as their friends.

In reply, Hoang said that he was happy to do what he could for restoring and developing the relations between the two peoples. He said that he was deeply impressed by what China had achieved in recent years. After the meeting they had dinner together. Present were Zhu Liang and Jiang Guanghua, head and deputy head of the International Liaison Department of the Chinese Communist Party Central Committee.

LEADERS MEET NUCLEAR SCIENTISTS, DISCUSS STRATEGY

HK110656 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 5, 3 Feb 86 pp 3-4

[Article by reporters Gu Mainan and Gu Wenfu: "A Change of Strategy in the Nuclear Industry"]

[Text] Spring came to Zhongnanhai especially early this year. Though it was the 12th month of the lunar year with the cold of winter still in the air, the drooping willows on both sides of Zhonghai and Nanhai had sprouted new green buds presaging the arrival of the season of many colors.

On the afternoon of 21 January, 10 scientists and engineering and technical personnel from the Ministry of Nuclear Industry, together with Minister of Nuclear Industry Jiang Xinxiong and Vice Minister Chen Zhaobo, excitedly went into the back room of Huairen Hall in Zhongnanhai. Among them were white-haired nuclear chemist Jiang Shengjie, nuclear physicist Wang Ganchang, and middle-aged high-level engineers and scientists Liu Xingzhong, Min Yaozhong, Huang Qitao, Yu Min, Lian Peisheng, Qian Gaoyun, Lu Dexian, and Sun Zuxun. Among them the oldest was near 80 and the youngest 48. In the past 38 years, they, together with their partners and colleagues, fought bravely in the wind swept and snow-bound wastelands and in the Gobi Desert, performing outstanding deeds of merit in building China's nuclear industrial system, in researching and manufacturing strategic nuclear weapons, and in the peaceful use of nuclear energy. Now, the initial period of building nuclear industry has passed. The state has entered the period of construction of the Seventh 5-Year Plan. Displaying more fight, 300,000 workers on the nuclear industrial front have begun to work on making the second chapter in the history of starting a nuclear industry -- a chapter in the peaceful uses of nuclear energy.

The peaceful uses of nuclear energy have wide ramifications. In what direction should energy be diverted? The news that party and state leaders wanted to have direct talks with scientists and experts filled the latter with great delight. They had actively worked out their proposals and come to Zhongnanhai.

The scientists had scarcely seated themselves in the back room of Huairen Hall when Hu Yaobang, Fang Yi, Li Peng, Yang Shangkun, Hao Jianxiu, and other leaders entered. Jiang Xinxiong introduced the experts to the leaders, one by one. After an exchange of cordial greetings, everyone gathered together for a group picture. Hu Yaobang and Yang Shangkun came over to take the hands of Jiang Shengjie and Wang Ganchang, saying: "Please let the elderly comrades be seated in front!"

The forum began in a lively and cordial atmosphere. Hu Yaobang said: "The comrades on the nuclear industrial front have made valuable contributions serving the party, the state, and the people. Thanks to their efforts, our country has successfully researched and manufactured nuclear weapons, strengthened national defense, and established a relatively perfect nuclear industrial system. It has a quality nuclear industrial force. The party Central Committee, the State Council, the Central Military Commission, and people throughout the country will not forget the historic and brilliant contributions made by you!"

These few lines by the secretary general summed up several decades of hard work and several decades of seeking, struggle, hardships, and joys for experts and workers on the nuclear industrial front. The responsible comrades of the Ministry of Nuclear Industry and the scientists felt deeply moved, a surge of warmth running through their hearts. "You comrades have really achieved much," Hao Jianxiu cut in with a smile. "In 1984, I wanted to return home through Italy after a visit to Albania. I could not obtain an airplane ticket. It happended that we had at that time exploded the first atomic bomb. As the news spread, the people at the airport on learning that a Chinese wanted a ticket immediately offered to sell one to me!"

Continuing, Hu Yaobang said he hoped that comrades in the nuclear industry could specialize in one field and be capable in many, get involved with multiple undertakings, and actively support civil industries in given areas, making new contributions toward development of civil industries and toward the building of the socialist economy.

"This is a matter of course. In the past, all sides came to your support and gave you the green light. You may as well be atop a high-rise building. Now it is hoped that you will walk down a few stories. Help those of us half-way from the top!" Hu Yaobang said laughingly. Everyone else laughed knowingly.

Before this forum, Vice Premier Li Peng had personally inspected nuclear facilities, including the Taishan nuclear power station under construction. At the forum, he said: The fundamental guideline for the development of our nuclear industry is that while guaranteeing war production, we must emphasize development and use of nuclear energy. This is to say that we must "guarantee a switch from military to civil uses." In developing civil industries, the Ministry of Nuclear Industry must focus on the development of nuclear plants. Of course, it must also get involved with other industries. The building of our nuclear power stations has been tough going. But we have after all made a start! In developing nuclear power projects, we must chiefly rely on our own resources. Of course, we must also introduce advanced technology from foreign countries.

He told everyone: "The CPC Central Committee Secretariat and the State Council have tentatively decided to entrust all the research and manufacture of nuclear power stations to the Ministry of Nuclear Industry. Thus, there is more scope for the abilities of the comrades of the Ministry of Nuclear Industry!" Li Peng look expectantly at the nuclear experts present.

Hu Yaobang agreed with Li Peng's view on a wide scope for the abilities of those of the Minstry of Nuclear Industry. He expressed the hope that the various departments of the Ministry of Nuclear Industry would establish wide connections, strengthen ties with local industries, industrial and mining departments, and town and township enterprises, and send scientific and technical personnel in support of given areas. He also said that in the peaceful use of nuclear energy, we can also enter into cooperation with foreign countries.

Fang Yi then said: "It is also very important to maintain a nuclear industrial research force. We must keep injecting new blood. While we study the peaceful uses of nuclear energy, we should achieve something new in such fields as nuclear chemistry, isotopes, and lasers, as is also our hope. In sum, there is a great scope for the abilities of the comrades of the nuclear industrial departments in various fields and a bright future for them!"

The experts present also talked freely about what they thought. On learning of the decision of the party Central Committee and the State Council to entrust the great mission of developing nuclear power projects to them, they were filled with great joy. They said that at present, 26 countries in the world have built nuclear power stations. In many scientifically and technically developed countries, around 50 percent of energy used comes from nuclear plants. We have already had experience in building 10 nuclear reactors. We have a relatively complete nuclear industrial system and a red and expert force. We also have the support and cooperation of various trades and fields throughout the country. The realization of this great decision of the party and the state can be definitely achieved. Some experts said that this has long been the desire of 300,000 workers on the nuclear industrial front. Given a quadrupling of total annual industrial and agricultural output value by the end of the century, the demand for electiricity will also rise several times. If we rely completely on thermal electricity generation, just the transportation of several hundreds of millions of tons of coal from north to south would be expensive in terms of manpower and material resources, to say nothing of environmental pollution.

To thoroughly solve China's energy problem by the 21st century, we must develop nuclear plants. This is an extremely important task. If we do not start now, it will be too late as time goes on. So it can be said that the central decision is an unusually timely and correct one. Some scientists also said that despite the tough conditions in the 1950's or 1960's, we were able to build nuclear reactors in the Gobi Desert by relying on our own strength. Now conditions in various fields are far better than before. Given the state's policy of opening up to the world, we can rely chiefly on our own resources to build nuclear power stations. By introducing advanced foreign technology with emphasis on self-reliance, we can be adequately assured of success.

The interview of more than 2 hours ended. The scientists left Zhongnanhai full of confidence and hope. After the meeting, they immediately passed on the news to the masses of workers on the nuclear industrial front. A big question -- how to adjust a person's own work to this change in strategy -- is becoming a topic of common talk among workers in the nuclear industry. What Minister of Nuclear Industry Jiang Xinxiong and Vice Minister Chen Zhaobo said to scientists Jiang Shenjie and Wang Ganchang is thought-provoking. They said: In building nuclear power stations, we should also enforce mass cooperation among many departments the way we did before in researching and producing the atomc and hydrogen bombs. It will not do just to rely on the Ministry of Nuclear Industry. Though the party and the state let us bear the chief responsibility, we must cooperate properly with various departments. In the manufacturing process, we must bear firmly in mind what Premier Zhou Enlai said in those years when we were researching and manufacturing the "two bombs:" "Be solemn and serious; be attentive and careful; show not the least neglect; be on the safe side." Only after achieving the generation of electricity by one nuclear reactor, two nuclear reactors, and three nuclear reactors in a network and its continuous safe operation can we claim with justification that we have accomplished this glorious and tough task entrusted to us by the party Central Committee.

WANG RENZHONG, HAN XIANCHU VISIT WUHAN

HK080415 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 5 Feb 86

[Excerpts] On the eve of Spring Festival, Wang Renzhong and Han Xianchu, vice chairmen of the NPC Standing Committee, inspected Wuhan. Comrade Wang Renzhong visited factories and schools to conduct investigation and study and hold forums with representatives of various circles. He stressed: Correcting party style and unhealthy trends is an urgent demand of the masses. It has an extremely important bearing on doing all aspects of our work well and is an important factor concerning the success and failure of the great cause of the four modernizations. We must look to the central authorities as our example and do well in grasping this important matter to the end. We must truly score achievements.

From 22 to 27 January, Comrade Wang Renzhong held forums respectively with responsible persons of 18 factories, including the second motor vehicle plant, Wuhan Iron and Steel Corporation [words indistinct], Wuhan passenger vehicle manufacturing and assembly plant, Wuhan enamel plant, Wuhan cigarette factory, Shashi cotton textile mill, and Huangshi coal machinery plant. He listented to the reports of these factories and fully affirmed the achievements and experiences made in the course of reform.

From 31 January to 4 February, Comrade Wang Renzhong held forums respectively with some NPC deputies in Wuhan, deputies of the provincial People's Congress, model workers, experts, professors, and literature and art workers. During their inspection tour of Wuhan, Comrade Wang Renzhong and Han Xianchu inspected the provincial exhibition of town and township enterprises and met all delegates attending the symposium of the provincial people's congress. During this inspection they were accompanied by comrades, including Han Ningfu.

1985 CAPITAL CONSTRUCTION RESULTS DETAILED

OW110520 Beijing XINHUA Domestic Service in Chinese 0015 GMT 10 Feb 86

[By reporter Ge Daxing]

[Text] Beijing, 10 Feb (XINHUA) -- In China's 1985 capital construction, 97 large and medium-sized projects and 134 large and medium-sized single items were completed and put into operation, greatly enhancing China's economic strength.

According to the latest statistics supplied by the State Statistical Bureau, 35 percent of the large and medium-sized projects and 72 percent of the single items recently put into operation were energy and communications projects. The major energy and communications projects completed were the Yuanbaoshan power plant in Nei Monggol with a generating capacity of 600, 000 kilowatts, the Mudanziang power plant in Heilongjiang, and the Dahua hydroelectric power plant in Guangxi with a generating capacity of 400,000 kilowatts; the 308-km Yanzhow-Shijiazhuang railway and the 430-km electrified double-track Beijing-Qinhuangdao railway; the second-phase of the Qinhuangdao port coal terminal with a designed handling capacity of 20 million tons of coal and the Shijiu port in Shandong with 15 million-ton coal handling capacity; and the Beijing-Wuhan-Guangzhou medium-sized coaxial communications cable. China mainly relied on the expansion and transformation of its 13 oil fields such as Daqing, Dagang, Liaohe, Jilin, Shengli, and Zhongyuan to produce more than 17 million tons of crude oil last year.

At the same time, by developing capital construction, China's metallurgy, building materials industry, chemical industry, machine building industry, and textile and light industries also increased production capacities. Among the projects were the chemical fertilizer plant of the Zhenhai petrochemical general plant in Zhejiang with a production capacity of 300,000 tons of synthetic ammonia and 520,000 tons of urea a year; the No 2 automobile plant with a production capacity of 85,000 automobiles; and the Loyang plate glass works in Henan with a production capacity of 2.32 million standard cases of plate glass per year.

In addition, another group of large and medium-sized capital construction projects also made remarkable progress. Currently, China has completed the construction of its largest copper smeltery, the Guixi smeltery in Jiangxi, and the Ningguo and Huaihai cement works. They have been or will soon be put into operation on a trial basis. The large and medium-sized projects that have been completed or basically completed include the Dajiang power plant of the Gezhouba hydroelectric power station with a designed power generating capacity of 1.75 million kilowatts; the Dajiang shiplock through which 10,000-ton ships can pass; the project of drawing water from the Luan River into Tianjin's south side; and the Xinxiang-Heze railway connecting the Jiaozue-Taiyuan, Xinxiang-Jiaozuo, Heze-Yanzhou, and Yanzhou-Shijiazhuang railways.

It is understood that growth in capital construction in early 1985 was put under control since the beginning of the third quarter after the party Central Committee and the State Council adopted measures to strengthen macrocontrol. However, the scale of capital construction is still excessive. A responsible person concerned said: To exercise strict control over the scale of capital construction, readjust the investment setup in capital construction, vigorously develop key energy and communications projects, and improve investment results in an overall way remain pressing problems in promoting the healthy development of China's capital construction.

ANHUI'S HUANG HUANG MEETS PARTY SCHOOL GRADUATES

OW111025 Hefei ANHUI RIBAO in Chinese 28 Jan 86 p 1

[Text] The fourth advanced study class for leading cadres run by the Anhui provincial committee's party school has ended. Huang Huang, secretary, and Liu Guangcai, member of the Standing Committee and director of the Organization Department of the provincial party committee, received all students of the class.

Comrade Huang Huang spoke to the students at the meeting. He called on the cadres, party and government cadres in particular, to strive to raise their theoretical level and improve their understanding of management policies and skills. In the new year, efforts should be made to attain new heights in work by setting higher standards and making new demands on themselves. Comrade Huang Huang expressed the hope that, after returning to their work posts, the comrades of the advanced study class would persist in combining theory with practice, intensify efforts to temper their party spirit, foster the concept of wholehearted service to the people, and set a good example in rectifying party style.

The advanced study class for leading cadres was attended by 37 cadres at the provincial department, bureau, prefectural, and county level.

ANHUI EXPANDS COOPERATION WITH OTHER PROVINCES

OW111241 Hefei ANHUI RIBAO in Chinese 28 Jan 86 p 1

[Excerpts] Last year our province made further progress and achieved remarkable economic results in its economic and technical cooperation work. As of the end of last year, our province had established various forms of cooperation with 23 other provinces, municipalities, and autonomous regions. Long-term, stable, and friendly cooperative partnerships were formed between 41 Anhui prefectures, cities, and counties and 61 prefectures, cities, and counties of other provinces. The number of joint economic and technical ventures for which contracts or letters of intent were signed reached 2,408 for the whole year. Implementation was begun on 1,685 of the contracts, an increase of more than 4-fold over 1984. The joint ventures already contracted and under implementation have brought a total capital of over 680 million yuan into the province plus some 150,000 metric tons of rolled steel and pig iron, 4,000 metric tons of nonferrous metals, 80,000 metric tons of coke, as well as sodium carbonate, timber, and other items in short supply in our province.

Since our province became part of the Shanghai economic zone, it has signed or is negotiating a number of fairly large joint ventures with the fraternal provinces and municipalities within the zone in coal, building materials, chemical, and metallurgical industries. These include a large cement factory of 1.24 million metric tons annual capacity in Tongling which calls for a joint investment of 420 million yuan by the State Administration of Building Materials Industry, Shanghai Municipality, and Anhui Province; the continued construction of the 600,000-ton capacity Xinqiao iron sulfate mine for which Shanghai Municipality and the Ministry of Chemical Industry will invest 53.4 million yuan; and the expansion project of the Wuhu Iron and steel plant to build a 300-cubic-meter blast furnace with an investment of 45.5 million yuan by the Shanghai Municipal bureau of metallurgical industry and Jiangsu Province.

ANHUI PARTY COMMISSION STRESSES SELF-CRITICISM

OW111251 Hefei Anhui Provincial Service in Mandarin 1100 GMT 10 Feb 86

[Excerpt] Leading members of the party committee of the Hefei aluminum plant have persisted in serious criticism and self-criticism in the course of party rectification

in an effort to correct mistakes while carrying out party rectification. This has deepened the development of party rectification work.

The General Office of the provincial Commission for Guiding Party Rectification under the provincial party committee has written a note on this experience of the Hefei aluminum plant, pointing out that serious criticism and self-criticism are of great importance in rectifying party style. The note said:

What approach should the party rely on when it deals with the various problems and contradictions within the party? It should rely on the approach of encouraging all comrades in the whole party to use the weapon of criticism and self-criticism. But, some comrades have rejected this cherished tradition of the party. The attitude that it is difficult to carry out serious criticism, and even more difficult to do serious self-criticism, has been quite widespread within the party in recent years.

The Hefei aluminum plant party committee has provided a useful experience in reviving and carrying forward the party's fine style of criticism and self-criticism in the course of party rectification and in using this weapon to do well in party rectification. In its efforts to deal with problems found in the plant during party rectification, it has practiced serious criticism and self-criticism. In addition, it has focused attention on the key issues following comparison and examination to effectively correct mistakes while carrying out party rectification. It has achieved fairly remarkable results in this respect.

It is hoped that comrades of other party committees at various levels will act like the comrades of the Hefei aluminum plant party committee by really using the weapon of criticism and self-criticism and persist in attaining high standards in party rectification.

FUJIAN GOVERNOR GIVES SPRING FESTIVAL MESSAGE

OW120521 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 8 Feb 86

[Radio talk by provincial Governor Hu Ping greeting the Spring Festival]

[Excerpts] Comrades, friends: Amid reports of all-round fulfillment of the Sixth 5-Year Plan, we greet the Lunar New Year of 1986. On behalf of the provincial government, I would like to extend my regards and thanks to those comrades working on production, administrative, and fighting posts during the holiday season; my holiday greetings to workers, peasants, intellectuals, cadres, technical personnel, all commanders and fighters of PLA units stationed in our province, public security cadres and policemen, various democratic parties, personages of various circles, and retired veteran cadres; and my season's greetings to compatriots from Taiwan, Hong Kong, and Macao, Overseas Chinese, and foreign experts and friends helping in our province's socialist construction.

In the first 5 years of the 1980's, we implemented the Sixth 5-Year Plan. Under the guidance of the line adopted at the 3d Plenary Session of the 11th CPC Central Committee, people throughout the province exerted concerted efforts over the past 5 years. An excellent political and economic situation has emerged. Great achievements have been made on various fronts. Our province's economy has achieved sustained, steady, well-coordinated, and relatively rapid development. The goals of struggle stipulated in the Sixth 5-Year Plan have been reached. Under the Sixth 5-Year Plan, our province's total industrial and agricultural output grew at an average annual rate of 12.2 percent and reached 23 billion yuan in 1985, increasing 77.8 percent over 1981. Our province's economic results have also been greatly enhanced.

The provincial economy has begun to shift from a closed door to an open door economy. Our economic and technological cooperation and exchange with foreign countries are expanding daily, enabling us not only to effectively use Overseas Chinese and foreign capital, introduce advanced technology, and increase our foreign trade and exports but has also opened our eyes to the outside world, enriched our knowledge, and broadened our economic base.

The next 5 years of the 1980's is a period for implementing China's Seventh 5-Year Plan. The next 5 years will be a period for China to be united, work hard, and fulfill another grand plan according to the general requirements for building socialism with Chinese characteristics. The fulfillment of the Seventh 5-Year Plan will be of great significance in revitalizing our province's economy, promoting social progress, bringing prosperity and happiness to the people, and in marching to the fore of the whole nation in the four modernizations. Unfolding before our eyes is a bright and beautiful future. We must have a strong sense of historical mission and political responsibility and dedicate our talents and abilities to the fulfillment of the goals of struggle of the Seventh 5-Year Plan.

The year 1986 marks the beginning of the Seventh 5-Year Plan. Hence, to have a good beginning, we must accomplish various tasks in 1986. We plan to increase our province's total agricultural and industrial output by 8 percent in 1986. At the same time, we plan to complete a number of large and medium-sized key projects vital to our province's economic construction. We must display the tiger's spirit in the Year of the Tiger and make 1986 a year of success, thereby creating favorable conditions for further economic development in our province.

While promoting economic construction, we must place economic structural reform above everything else. To consolidate reform achievements, we must stress agriculture, the foundation of the national economy, we must never neglect grain production, and we must continue to develop a diversified, economy and rural commodity production.

While accelerating the building of a material civilization, we must do a still better job in building a socialist spiritual civilization. We must seriously study the important directives of central leading comrades on correcting party style, take resolute actions, and crack down on major cases. While resolutely checking unhealthy tendencies and hitting hard at economic criminal activities, we must pay close attention to struggles in the ideological sphere. Leading cadres and organs at all levels must be models in correcting party style and work hard to bring a fundamental change for the better in party style.

In the new year, we will miss our Taiwan compatriots on the other side of the Taiwan Strait. Let us join hands and work together to bring an early end to the separation between Taiwan and Mainland China and to realize the reunification of the motherland. We welcome our compatriots in Taiwan, Hong Kong, Macao, and overseas to travel, visit relatives and friends, and promote trade and economic cooperation with the motherland.

I wish you success and prosperity in everything you do in the new year. Thank you.

DENG XIAOPING ORDER HONORS MARTYR IN JIANGSU

OW030538 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 2 Feb 86

[Excerpt] Entrusted by the Central Military Commission, the military district where former outstanding company leader (Fu Yongxian) belongs held a ceremony to posthumously confer an honorary title on (Fu) at a certain group army on 2 February.

The military district leader read out an order signed by Deng Xiaoping, chairman of the Central Military Commission, on 11 January conferring the honorary title for bravery on the good company leader. In accordance with the wish of Martyr (Fu Yongxian), his wife (Gao Zhifen) was decorated with the shiny medal for heroic models, class one. His wife was also presented with a congratulatory letter by the political department of the military district on issuance of the order by the Central Military Commission for (Fu Yongxian).

JIANGXI GET-TOGETHER MARKS SPRING FESTIVAL

OW110825 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 9 Feb 86

[Excerpts] The Jiangxi Provincial CPC Committee, provincial Advisory Commission, provincial People's Congress Standing Committee, provincial people's government, provincial CPCC Committee, and Jiangxi Military District held a joint get-together on 9 February morning to celebrate the Spring Festival and the province's achievements.

Some 800 persons joyfully gathered in a hall and exhcanged holiday greetings with each other. They include Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee; Liu Fangren, deputy secretary of the provincial CPC Committee, Ni Xiance, deputy secretary of the provincial CPC Committee and governor of Jiangxi, Xu Qin, deputy secretary of the provincial CPC Committee; Jiang Zhuping, Wang Zhaorong, Pei Dean, Wang Baotian, and Lu Xiuzhen, members of the Standing Committee of the provincial CPC Committee; Bai Dongcai, member of the Central Advisory Commission; Zhao Zhijian, member of the CPC Central Committee; Wang Tie, member of the Central Discipline Inspection Commission; Zhao Zengyi, chairman of the Jiangxi Provincial Advisory Commission, Di Sheng, Liu Zhonghou, and Wang Shixian, vice chairmen of the provincial Advisory Commission; Wang Shufeng, chairman of the provincial People's Congress Standing Committe; Wang Zemin, Zheng Xiaoxian, Liang Kaixuan, Huang Xiandu, Peng Shengxi, and Liu Bin,vice chairmen of the provincial People's Congress Standing Committee; Qian Jiaming, (Sun Xiyue), and (Chen Guisun), vice governors of Jiangxi; Fang Qian and (Xu Shaolin), advisers to the provincial people's government; Yang Yongfeng, Shen Hanqing, Lu Xiaopeng, Liu Jianhua, Lu Liang, Li Shangyuan, Wu Yongle, Wu Tiyu, Jin Liqiang, and Wu Yunzhong, vice chairmen of the provincial CPPCC Committee; Wang Guande, political commissar of the Jiangxi Military District; (Shen Zhongxiang), full-time deputy secretary [zhuan zhi fu shu ji] of the Discipline Inspection Commission of the Jiangxi Military District; (Yang Minxiong), deputy political commisar of the Nanchang Army School; (Li Aisun), secretary of the Nanchang City CPC Committee; and (Chen Andong), mayor of Nanchang City. Also present at the gathering were old Comrades Fang Zhichun, Fu Yutian, and Ma Jikong.

Liu Fangren, deputy secretary of the provincial CPC Committee, presided over the meeting. Ni Xiance, deputy secretary of the provincial CPC Committee and governor of Jiangxi, addressed the meeting.

WAN SHAOFEN, OTHERS VISIT COMRADES IN JIANGXI

OW112011 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 9 Feb 86

[Summary] Party and government leaders of Jiangxi Province and Nanchang City went to visit the people at the grass-roots level today to extend greetings to them and celebrate the Spring Festival with them. "They encouraged everyone they met to display the spirit of a tiger in the Year of the Tiger and make joint efforts to invigorate Jiangxi's economy.

"Wan Shofeng, secretary of the provincial party committee; Wang Baotian, member of the Standing Committee of the provincial party committee and commander of the provincial military district," and other comrades visited a unit of the Nanchang City bureau of power supply and other units in Nanchang, calling on the comrades working at their posts.

Wan Shaofeng told the workers on duty at the power supply bureau: "It is because of your diligent work that the people of the whole city are assured of electricity during the festival." Comrades Wan Shaofeng and Wang Baotian also visited workers operating city buses and trolleys.

"Ni Xiance, deputy secretary of the provincial party committee and governor; Qian Jiaming, vice governor" and others visited the Nanchang railway subbureau. They also extended greetings to the crew of a locomotive.

SHANDONG SECRETARY LIANG BUTING VISITS PREFECTURE

SK110411 Jinan Shandong Provincial Service in Mandarin 2300 GMT 9 Feb 86

[Text] At about 1500 on 6 February, Liang Buting, secretary of the provincial CPC Committee, arrived at (Shuzhuang) Village of (Shuangqiao) Township, Yuncheng County. He visited (Su Zhenyi), a specialized chicken raiser, and three other big households to inquire about their production, lives, income, and their plans for further sideline production. He also convened a forum to hear the opinions and requests of rural grass-roots cadres and to discuss with them future plans for achieving prosperity.

Many peasants said excitedly: Leading comrades of the provincial CPC Committee visited our village at the beginning of spring. We will take a greater step forward in achieving prosperity this year.

In this trip to the southwestern part of the province, Comrade Liang Buting set a good example in improving work styles. He went there by a van instead of a car, and was accompanied by only a very few necessary personnel instead of a large group of people. Major prefectural and county leaders accompanying him on the trip also rode in the same van with him instead of riding in different cars to form a motorcade. As proposed by Comrade Liang Buting, neither the prefecture nor the county had their leaders go to other prefectures or counties to welcome and send off Comrade Liang Buting and his party. As soon as they arrived at the Yuncheng County guesthouse, Comrade Liang Buting repeatedly asked Comrade (Yu Bohai), secretary of the Heze Prefectural CPC Committee, not to exceed the standards for meals when entertaining him. Shanxian County of Heze Prefecture was where the CPC Committee of the (Huxi) Prefecture was located in history. Comrade Liang Buting once fought and worked there for 4 to 5 years between 1940 and 1949. Because his trip there represented a return to a familiar place and it was the Spring Festival period, leading organs of the prefecture and the county wanted to hold dinner parties for Secretary Liang and his old comrades-in-arms. Secretary Liang declined them all. He said: A cup of tea shows deeper affection. We should have only four dishes and one soup or even ordinary noodles and millet gruel for each meal.

The cadres and people of Heze Prefecture and the counties said happily: Secretary Liang has brought with him a new work style.

RUI XINGWEN, JIANG ZEMIN AT SHANGHAI MEETING

OW071049 Shanghai City Service in Mandarin 0100 GMT 7 Feb 86

[Excerpts] The 1986 Army-people Spring Festival get-together in Shanghai Municipality was held at the Meiqi Theater on 6 February.

Leading comrades of the municipal party committee, the muncipal People's Congress Standing Committee, the municipal government, and the municipal CPPCC Committee attended the meeting. They included Rui Xingwen, Jiang Zemin, Yang Di, Huang Ju, Wu Bangguo, Wang Jian, Wang Tao, Wu Ruoan, Zhu Zongbao, Li Zhaoji, Liu Zhenyuan, Ni Tianzeng, Ye Gongqi, Xie Lijuan, Wang Daohan, Li Guohao, Yang Shifa, Xu Yifang, Ye Shuhua, Tang Junyuan, Dong Yinchu, Wu Wenqi and Zhou Bi.

Also present were responsible persons of PLA units in Shanghai and the Shanghai Municipal People's Armed Police Corps, (Ba Zhongtan), Ping Changxi, (Liu Xinwen), (Liu Qingyong), (Xing Yichang), Wang Guanliang, (Wang Yan), Pan Qihuai, and Sui Xinhui.

SHANGHAI LEADERS AT LITERARY, ART GATHERING

OW112335 Shanghai City Service in Mandarin 1100 GMT 10 Feb 86

[Text] This afternoon, the Shanghai Municipal Federation of Literary and Art Circles held a gathering to greet in the spring at the Literary and Art Meeting Hall. Present on the occasion were 1,500 people, including leading comrades from the municipal CPC Committee and the municipal government Rui Xingwen, Jiang Zemin, Huang Ju, Chen Tiedi, and Liu Zhenyuan; deputy heads of the Propaganda Department of the municipal CPC Committee Pan Weiming and Ding Ximan; responsible persons from various literary and art associations; and noted personages from literary and art circles. Xia Zhengnong, president of the municipal federation of literary and art circles, presided over the gathering.

Comrades Rui Xingwen and Jiang Zemin delivered speeches. Both wished that in the new year the literary and art garden would have more splendid flowers and produce more and still better cultural works so as to win new success in helping build a socialist material and spiritual civilization.

ZHEJIANG LEADERS MAKE SPRING FESTIVAL VISITS

OW111415 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 9 Feb 86

[Excerpts] Leading comrades of Zhejiang Province and Hangzhou City visited factories, hospitals, stores, kindergartens, police stations, and teachers' families today to make cordial calls on workers and staff and police officers and men working at their posts and on outstanding teachers spending happy Spring Festival holidays at home to extend festive and cordial greetings to them.

Shortly after 0800, Comrades Wang Fang, Li Dexin, and Cui Jian arrived at the Hangzhou City post office where they watched postal workers and staff sort packages and letters and extended greetings and thanks to them. Comrade Wang Fang and the other leading comrades then went to the Hangzhou railway subbureau where they inquired about train operations during the festival and called on workers and staff busy at work in the dispatch office. Wang Fang and the other leading comrades also visited the home of (Li Changlong), principal of Tianchang Primary School and national outstanding education workers, to extend spring festival greetings to teacher Li's entire family.

Comrades Xue Ju, Yuan Fanglie, Chen Anyu, and Zhong Boxi went to the Wuling kindergarten where they called on (Wang Juqing), 77-year-old local private school teacher and national 8 March standard bearer and pacesetter. Chen Fawen, Wu Minda, Shen Zulun, Luo Dong, Shen Guifang, Tie Ying and other leading comrades also visited various grassroots-level units to extend Spring Festival greetings to comrades working at their production posts.

GUANGDONG LEADERS CALL ON XU XIANGQIAN

HK090814 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 8 Feb 86

[Text] This morning, You Taizhong, commander of the Guangzhou Military Region; Zhang Zhongxian, political commissar of the Guangzhou Military Region; Ye Xuanping, governor of Guangdong; and other party, government, and Army responsible comrades called on Marshal Xu Xiangqian, who happened to be in Guangzhou, wishing him a happy Spring Festival, excellent health, and longevity.

Guangzhou on the eve of the Lunar New Year's Day is sunny and beautifully decorated and green plants can be seen everywhere. At 0940, Comrade You Taizhong and others arrived at Marshal Xu's residence and happily wished the marshal a happy new year.

Marshal Xu, 85, is in excellent health and his face glows with health. He inquired cordially about Guangdong's economic development and offered suggestions on strengthening Army building in the new period.

On hearing that Guangzhou has a 106-years-old elderly citizen, Marshal Xu said cheerfully: Now, the country is prosperous and peaceful and the people have a longer lifespan. I wish all of you longevity. Marshal Xu continued: You are now paying a new year call to me on behalf of the people of Guangdong and Guangzhou. I wish everyone a successful new year.

Among those who called on Marshal Xu today were Zhou Shizhong, former commander of the Wuhan Military Region; Liu Changyi, former deputy commander of the Guangzhou Military Region; Wang Ning, a responsible comrade of Guangdong; and Xu Shijie, a responsible comrade of Guangzhou City.

HAINAN CURBS INDISCRIMINATE PRICE HIKES

HK080553 Haikou Hainan Island Service in Mandarin 0400 GMT 7 Feb 86

[Text] In conjunction with party rectification, CPC committees and governments at all levels in our region have done well in curbing the indiscriminate hiking of prices, indiscriminate levying of charges, indiscriminate imposition of fines, and the indiscriminate apportioning of expenses. Over the past 4 months or so, they have scored initial achievements. According to statistics, the whole region checked 1,016 chaotic items which involved some 12.2 million yuan in violation of discipline, recovered some 3.79 million yuan and deposited it in the treasury, and returned to customers 2.53 million yuan which was the difference between the normal prices and the raised prices.

Since the regional CPC Committee and regional government made the decision on the elimination of disorder, CPC committees and governments at all levels have regarded this work as an aspect of party rectification and have grasped it. According to statistics, some 1,830 units were fined for indiscriminately levying charges and some 1,390 of them were consolidated, accounting for 76 percent of the total number of units. The burdens of the state, production units, and consumers can be reduced by some 9.7 million yuan a year.

In the course of eliminating disorder in Danxian County, every level has had people responsible for this work and the county has eliminated disorder by itself. Of some 120 items on which fines were imposed, 89 irrational items were cancelled and the standards of 21 items whose standards had been slightly too high were lowered. Some 600,000 yuan in violation of discipline was deposited in the treasury and some 310,000 yuan which had been the difference between the normal prices and raised prices was returned to customers.

CENTRAL LEADER VISITS HUNAN RADIO STATION

HK101422 Changsha Hunan Provincial Service in Mandarin 1100 GMT 6 Feb 86

[Text] This morning, Wang Shoudao, Standing Committee member of the Central Advisory Commission; (Ke Lan), council member of the Chinese Writers' Association and a well-known writer; and (Wang Wenqiu), a writer, visited the provincial radio station accompanied by leaders of the provincial radio and television department and the provincial radio station, including Yang Shibang, (Xiao Yanqiao), (Li Xinchuan), and (Wang Hai). They met the work groups who arrange the radio programs for listeners. They also had a group photo taken to mark the occasion.

Despite his age of 81, Comrade Wang Shoudao was energetic and walked with vigorous strides. He enthusiastically visited the recording studio, the broadcast studio, the control room, the support facilities room, and the stereo production room of the station. While visiting, he expressed many important opinions on propaganda through radio and television.

Old Wang said: Both radio and television are the means of modern propaganda, and their functions are very great. Therefore, we must further improve the quality of propaganda through radio and television. A person needs to watch television, listen to to the radio, and read newspapers. Each of these has its own special characteristics and is unable to replace the others.

On literary and art programs, Old Wang said: Each provincial station must exchange its experience with others. This concerns the issues of reform, opening up, and invigoration. We must let the qualified personnel handle the work and produce more programs in regard to our daily life. In addition to the flower-drum opera, Hunan has its Kunqu opera and [words indistinct], which I also enjoy watching.

PARTY LEADERS CELEBRATE TIBETAN NEW YEAR

HK080401 Lhasa Xizang Regional Service in Mandarin 1130 GMT 6 Feb 86

[Text] The regional CPPCC held a tea party celebtating the Tibetan new year. At the party, Vice Chairmen of the regional CPPCC Pagbalha Geleg Namgyai, Samding Doje Pamo, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, Gaxoi Qiogyai Nyima, Lhalu Cewang Doje, Huokang Suoshu Bianba and Gongbasa Tudeng Jihen exchanged season greetings and hadas with the responsible party, government and military comrades, including Wu Jinghua, Raidi, Doje Cedan, Basang, Dangzin, Gyanincain Norbu, Shengqin Luosangjianzan, Langjie, Jiangzhong Zhaxiduoji, Gyamco, Gyibug Puncogcedain, Gong Daxi, (Zhang Xiaosong) and Gao Tangjin.

At the party, which was full of warm atmosphere, Pagbalha Geleg Namgyai, vice chairman of the regional CPPCC, delivered a congratulatory speech. On behalf of all members of the regional CPPCC and the whole staff of the regional CPPCC office, he extended season's greetings to participating leaders, comrades and friends; to the entire staff of PLA units and the armed police force attached to the region, who have made contributions in defending the southwest frontier of the motherland; to workers, peasants, intellectuals, cadres, all nationalities, religious figures and patriotic personages from various sectors. He also extended season's greetings to Tibetans living abroad.

Wu Jinghua, secretary of the regional CPC Committee, spoke at the tea party. On behalf of the regional CPC Committee, the regional Advisory Commission, the regional People's Congress, the regional government and the regional military district, he extended season's greetings to the participating comrades and friends. He wished them good health and a happy Tibetan new year.

Comrade Wu Jinghua said: At present, the situation in our socialist motherland is good. The central authorities have fully affirmed the enlarged meeting of the regional CPC Committee Standing Committee. They have also pinned hopes on us. We must live up to their faith by acting in the spirit of the enlarged meeting of the regional CPC Committee Standing Committee, and in implementing the plans of the regional CPC Committee. It is hoped that the region's party, government, military and masses will become united, disregarding nationality and religious beliefs, and make greater achievements and contributions for the happiness of Xizang's people. We should carry out our work in 1986 in a down-to-earth manner. Xizang will thus have bright prospects.

LI LIGONG SPEAKS AT SHANXI MILITIA WORK MEETING

HK100433 Taiyuan SHANXI RIBAO in Chinese 30 Jan 86 p 1

[Report by Li Xiangde and Wei Benli: "The Provincial Military District Holds a Meeting To Report to Party Secretaries at Provincial, Prefectural, and County Levels on Militia Work"]

[Text] The provincial military district held a meeting yesterday afternoon to report to party secretaries at the provincial, prefectural, and county levels on militia and reserve service work. The provincial military district expressed its determination to take the spirit of Central Document No 22 as its guiding principle, submit itself to and serve the overall situation concerning state economic construction, alleviate the people's burden, fundamentally strengthen the building of reserve forces, cut down on the size of the militia, pay close attention to major issues, lay a solid foundation, and create a new situation in Shanxi's militia and reserve service work.

Yu Hongli, commander of the provincial military district, presided over the meeting. Leading comrades of the provincial CPC Committee and government -- Li Ligong, Wang Senhao, Wu Dacai, Wang Maolin, and Zhang Weiqing -- were present.

Luo Jinghua, political commissar of the provincial military district, pointed out in his speech that the core members of the militia should be cut down by 55.9 percent, that training tasks of the militia and reserve forces should be reduced by 58.8 percent, and that the role of the militia in building spiritual and material civilization should be brought into full play. The militia should take the lead in studying and implementing the party's line, principles, and policies; in building spiritual civilization; in getting rich through hard work; in accomplishing urgent, difficult, dangerous, and arduous tasks; and in abiding by discipline and law. The militia should engage in production so as to provide for its military activities and contribute to the revitalization of the local economy. The building of training bases should be developed gradually in line with local conditions and according to local capacity. Existing training bases should be used comprehensively so as to enhance combat-readiness, attain better economic results, and improve social benefits. Those training bases under construction should be controlled with unnecessary construction projects being curtailed. It is necessary to reform political work for the militia and reserve forces and management of the militia's arms storage. The weapons should be stored and sealed up at the county level for safekeeping.

In his speech, secretary Li Ligong of the provincial CPC Committee emphasized the following: First, it is necessary to conscientiously implement the spirit of central document No 22 and strengthen militia and reserve service work in earnest. The guiding ideology for militia and reserve service work should be straightened out and the past state of combat or semi-combat readiness in militia and reserve service work should be switched to peaceful construction. We must make a careful study of the new conditions and solve the resultant new problems. We must strengthen leadership over militia and reserve service work. The people's armed forces at all localities should perform their functions and strive to create a new situation in Shanxi's militia and reserve service work. Second, it is necessary to do a good job in transferring leadership of the people's armed forces. It is a great turning point to delegate leadership of the people's armed forces to the locality. Leading cadres at all levels should enthusiastically support this work and, where conditions permit, help them solve their practical difficulties.

TAIWAN KMT SPY ARRESTED IN HEILONGJIANG PROVINCE

SK060434 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 5 Feb 86

[Text] The Harbin City State Security Bureau recently cracked a case regarding a Taiwan KMT spy. The spy, (Zhang Wenzuo), has already been arrested according to law.

(Zhang Wenzuo), male, age 41, and a college graduate, served as deputy chief of a section of the Heilongjiang Provincial Industrial and Commercial Administration Bureau before he was arrested. In May 1983 a member of the Taiwan KMT spy organization stationed in Hong Kong got in touch with (Zhang Wenzuo) under the pretext of being his relative, instigated him to join the KMT spy organization, gave him an alias, decided on communication and liaison methods and addresses, and arranged for activities and tasks. Under the instigation of the KMT and the temptation of money, (Zhang Wenzuo) joined the spy organization, reported and sent political and economic information to the KMT spy organization on several occasions, and accepted espionage funds and a large number of articles from the KMT spy organization.

PRIORITY GIVEN TO MILITARY WORK IN HEILONGJIANG

OW080636 Beijing XINHUA Domestic Service in Chinese 0255 GMT 8 Feb 86

[By correspondents Zhang Baoyin and Lu Jingliang]

[Excerpts] Harbin, 8 Feb (XINHUA) -- Preparations have been basically completed in more than 100 counties and districts in Heilongjiang Province in subordinating the people's armed forces departments to the local authorities.

The party organizations and local governments at all levels in Heilongjiang have actively supported the PLA units in streamlining and reorganizing themselves and have considered the plan to subordinate the people's armed forces departments to the local authorities an important task on their daily agenda. The principal leading cadres of the party organizations and local governments paid personal attention to this task. The provincial CPC Committee held a special enlarged Standing Committee session to hear reports delivered by the provincial military district. Together with the provincial military district, it held a meeting in 1985 which was attended by the first political commissars of the various prefectural, city, and county people's armed forces departments to study and solve some of the existing issues in the course of subordinating the people's armed forces departments to the local authorities.

The provincial CPC Committee paid full attention to helping people's armed forces departments overcome some actual difficulties. The provincial CPC Committee had pointed out: No unit is allowed to occupy the barracks of the people's armed forces on any pretext. Effective measures must be adopted on a priority basis to help the cadres of the people's armed forces solve their actual housing problems, find jobs for their dependents, and seek school admission for their children.

SUN WEIBEN VISITS HEILONGJIANG TEACHERS

SK100005 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 7 Feb 86

[Text] Prior to Spring Festival, leading comrades of the provincial CPC Committee, the provincial people's government, and the provincial Advisory Commission visited teachers of a number of higher educational institutions and middle and primary schools in Harbin City to extend cordial regard and festive greetings to them. They also extended festive greetings on this occasion to the educational workers throughout the province.

From 4 to 7 February, comrades, including Sun Weiben, Chen Lei, Hou Jie, Li Genshen, Chen Yunlin, Liu Chengguo, Zhou Wenhua, Wang Yusheng, Wang Yachen, Zhu Dianming, Bai Jingfu, Li He, Huang Feng, Wang Lianzheng, An Zhendong, He Shoulun, Liu Zhongli, Jing bowen, and Du Xianzhong, respectively visited 19 schools including the Harbin Engineering University, the Heilongjiang University, the provincial police school, the provincial electrician school, the middle school subordinate to the Harbin Teacher's University, and the Nanmalu primary school of Harbin City, to extend their festive greetings to more than 60 college, middle, and primary school teachers including Professor (Ma Zuguang), provincial special-class labor model and model party member, and (Ma Xiru), national noted home-class teacher and provincial model teacher. During their visits, the provincial leading comrades inquired about their conditions of work, livelihood, and health and expressed appreciation for their contributions to training a large number of talented personnel for the program of building the four modernizations. They also expressed that efforts should be made to assist the departments concerned to resolutely deal with the practical problems encountered by the teachers.

Accompanying the leading comrades during their visits were the leading persons of the propaganda department under the provincial CPC Committee and the provincial education commission.

HEILONGJIANG SECRETARY AT PARTY FOR ARMYMEN

SK060442 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 5 Feb 86

[Text] On the morning of 5 February, provincial-level old Red Army soldiers and retired cadres happily attended a tea party to celebrate the 1986 Spring Festival. The tea party was presided over by Li He, Standing Committee member of the provincial CPC Committee and director of the Organization Department.

On behalf of the provincial CPC Committee and the provincial government, Sun Weiben, secretary of the provincial CPC Committee, extended festive greetings and intimate regards to the old Red Army soldiers and retired cadres. He hoped that from now on the retired cadres would give energetic support and assistance to the work of the provincial CPC Committee and the provincial government, and devote their remaining years to the fulfillment of the province's Seventh 5-Year Plan.

Present at the tea party were Li Lian, former secretary of the provincial CPC Committee; provincial party and government leaders, including Hou Jie, Chen Lei, Li Jianbai, Wang Zhao, and Wang Fei; and retired cadres, including Wang Yilun, Zhao Dezun, and Chen Jianfei.

JILIN SECRETARY SPEAKS AT CPPCC PARTY

SK050749 Changchun Jilin Provincial Service in Mandarin 1030 GMT 4 Feb 86

[Text] On the afternoon of 4 February, at the auditorium of the office of the provincial CPPCC Committee, the provincial CPPCC Committee held a tea party with the participation of the personages of all circles to warmly celebrate the Spring Festival. More than 200 people, including the leading comrades of the provincial party and government and representatives of personages of all circles in Changchun, happily got together, each with a cup of tea, to relive comradeship and to celebrate the Spring Festival of 1986.

Liu Jingzhi, chairman of the provincial CPPCC Committee, presided over the tea party. On behalf of the provincial CPC Committee, Comrade Gao Di, secretary of the provincial CPC Committee, first of all, extended festive greetings to the comrades present at the tea party and the personages of all democratic parties, federations of industry and commerce, and all circles across the province; and wished them the best of health and happiness to all their families.

He said: With the concerted efforts of the people of all nationalities and personages of all circles across the province, we successfully passed the abnormal year of 1985 by conquering the serious flood disasters. In the new year, we must indomitably exert great efforts to grasp industrial and agricultural production, to achieve the straightening out of party style and the spiritual civilization, and to promote the work in all fields in a down-to-earth manner. Simultaneously, he urged the personages of all circles across the province to make more efforts to supervise and support and to give more suggestions on the work of the provincial CPC Committee, and to work together with the provincial CPC Committee to imporve the work of Jilin Province.

Respectively giving speeches at the tea party were representatives of all democratic parties, the Federation of Industry and Commerce, the Federation of Returned Overseas Chinese, and the Fellowship Association of Taiwan Compatriots, and representatives of nonparty personages, including Cheng Shengsan, Geng Yuelun, Guang Mengjue, Luo Yuejia, Zhu Jinghang, Cai Qiyun, (Chen Jingsong), (Yan Hongchen), and (Zhang Zuomei). They respectively expressed that in the new year they would devote themselves to the reform in the spirit of the foolish old man removing the mountains, be friends of the party who would not hesitate to give advice, and make suggestions on and contributions to rejuvenating Jilin.

Wang Daren, chairman of the provincial Advisory Commission; and Zhang Kaijing, retired veteran cadre, also delivered speeches at the tea aprty. Also attending the tea party were leading comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the provincial Discipline Inspection Commission, including Wang Xianjin, Gao Dezhan, Wang Zhongyu, Zhao Xiu, Zhang Shiying, Liu Yunzhao, Huo Mingguang, Liu Cikai, Wu Duo, Wang Jiren, Yu Ruihuang, Renqinzhamusu, Xu Yuancun, Gao Wen, Liu Shulin, Wang Jinshan, Zhang Fengqi, He Yunqing, Xin Cheng, and Jin Minghan; and retired veteran cadres, incliding Li Diping, Yu Lin, Yu Ke, Che Minqiao, and Wang Guanchao.

Various interesting music and other performances were presented at the tea party.

RETIRED CADRES ATTEND JILIN GET-TOGETHER

SK040251 Changchun Jilin Provincial Service in Mandarin 1030 GMT 3 Feb 86

[Excerpt] This morning the recreation center for the provincial-level veteran cadres was decorated with lanterns and colored streamers and was filled with laughter and a happy festive atmosphere. Some 200 retired veteran cadres came here joyfully to attend the Spring Festival get-together for retired cadres of the provincial-level organs jointly held by the Organization Department of the provincial CPC Committee and the provincial Veteran Cadres' Bureau.

Attending the Spring Festival get-together were leading comrades of the provincial CPC Committee, including Gao Di, Wang Xianjin, Gao Dezhan, and Wang Zhongyu; Zhang Shiying from the provincial Advisory Commission; Comrades Zhao Xiu and (Ge Mingzhong) from the provincial People's Congress; Comrades Gao Wen, Liu Shulin, and Wang Jinshan from the provincial government; Comrades Liu Jingzhi and Zhang Fenggi from the provincial CPPCC Committee; and Comrade (Zhao Yongji) from the provincial Discipline Inspection Commission, as well as other leading comrades of the provincial CPC Committee.

LI GUIXIAN AT LIAONING SPRING FESTIVAL SOIREE

SK070312 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 6 Feb 86

[Text] Liaoning Province, Shenyang City, and the Shenyang Military Region held Army-civilian soirees on the occasion of the 1986 Spring Festival in eight places, including the Liaoning People's Theater and the Nanhu Theater in Shenyang City.

Attending the soirees to happily celebrate the Spring Festival together were leading comrades from the military region and the provincial and Shenyang City party and government organs, including Li Guixian, Li Changchun, Dai Suli, Zhang Zhengde, Xu Shaofu, Zhu Dunfa, Song Keda, and Cao Shuangming; Guo Feng, member of the Central Advisory Commission, Li Tao, member of the Central Discipline Inspection Commission; and more than 10,000 of the masses from various social circles and PLA fighters and commanders.

At the soirees, films including "Our Retired Armyman" were shown.

LIAONING MAKES PROGRESS IN CRACKING ECONOMIC CRIMES

SK061122 Shenyang LIAONING RIBAO in Chinese 23 Jan 86 p 1

[Excerpts] Recently, the cities of Shenyang, Dalian, Jinzhou, Liaoyang, Fuxin, and Tieling have successively held rallies on dealing strict blows to economic crimes. The various city intermediate people's courts have conducted open trials of a group of serious economic criminals in accordance with the law. This has dealt a strong blow to the economic criminals, educated the broad masses of cadres and the people, and safeguarded the smooth progress in reform and the four modernizations. The broad masses of people applauded and cheered this.

Recently, some economic criminals have taken advantage of the opportunities of opening to the outside world and invigorating the domestic economy to desperately disrupt reform, the practice of opening to the outside world and invigorating the economy, and the four modernizations construction. The number of major cases has increased greatly. In 1985, we had 502 major cases on file, each of which involved more than 10,000 yuan. Of these cases, 67 were appalling cases each of which involved more than 50,000 yuan, showing an increase of 11.6 times over 1984.

One of the prominent features of the major economic crimes is that the number of cases involving swindling has increased remarkably. The swindlers usually raise the banner of opening to the outside world and invigorating the economy to exploit the advantages of reform by all means and to make use of the legal economic activities to engage in speculation, swindling, and bludding, and other illegitimate and criminal activities. In 1985, the province as a whole has put on file 1,139 cases involving speculation and swindling, an increase of 42.7 percent over 1984. Of this number, 55 were cases each of which involved more than 50,000 yuan, showing an increase of 17.3 times over 1984.

At present, the work of investigating and handling the major economic criminal cases has aroused the great attention of the CPC committees at all levels. They have persisted in grasping the policy of opening to the outside world and invigorating the economy on the one hand, and decided to advance on the crest of a victory, to eliminate the evil and to deepen the struggle against economic crimes.

GANSU PARTY COMMITTEE TO LEAD RECTIFICATION

HK110429 Lanzhou GANSU RIBAO in Chinese 28 Jan 86 p 1

[Report by correspondents Li Zhiyong and Yang Zhanhong: "Leading Members of the Party Committee of the Lanzhou Military Region Are Determined To Take the Lead in Rectifying Party Style"]

[Text] Members of the Lanzhou Military Region party committee have indicated that they will not stand on the sidelines in rectifying party style. They will adhere to the principle of "taking the lead" and set a good example for Army units.

The military region party committee had 6 days of meetings of its Standing Committee and committee members to study and discuss speeches made by Hu Yaobang, Yang Shangkun, and other leading comrades of the central authorities and the Central Military Commission at meetings of cadres of the central organs. In formulating the "decision on effecting a fundamental change for the better of party style of all units of the region this year," the party committee has stressed doing a good job in improving the party style of leading cadres and has demanded that leading cadres consciously "take the lead in three aspects": enhancing education on party spirit, strictly observing party discipline, and struggling against actions harmful to the interests of the party and the people. They should become "surveyor poles" in rectifying party style and should safeguard party style and party discipline with their actions. In future, decisions on using personnel must be made by the collective according to the party's organizational principles.

Leading cadres shall not involve themselves in arranging jobs for their children, relatives, friends, or those who work around them. In holding meetings or receptions for leading cadres and officials from departments at higher levels, no extravagance or waste, eating and drinking extravagantly, or presenting gifts shall be permitted. In making business trips or trips to sanitoriums, cadres shall not make detours for sightseeing and shall not have a greater number in their entourage than as stipulated. While making a trip, leading comrades of the military region shall not allow their subordinates to meet them or to send them off at railway stations or airports. Leading cadres shall not seek personal gain through fraud, seek undeserved reputations, or play tricks and pay lip service to get awards. They should take the lead in upholding principles and dare to stop wrongdoing. The military region party committee is determined to handle all problems where personal gain has been sought through abuse of power. It will not perform its duties in a perfunctory manner or turn big problems into small ones, or small problems into no problems. Leading comrades of the party committee will personally handle major, important cases and support discipline inspection personnel so that everything concerning those cases will come to light. In the past 10 days or so, the Discipline Inspection Commission of the military region has been diligently investigating 17 cases of illegal business, corruption, taking advantage of the reduction-in-strength reorganization to promote large numbers of cadres, theft, and other crimes.

LI ZIQI ATTENDS GANSU SPRING FESTIVAL TEA PARTY

HK080603 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 6 Feb 86

[Text] The provincial CPPCC Committee, United Front Work Department of the provincial CPC Committee, provincial Nationality Affairs Committee, and provincial Religious Affairs Committee held a Spring Festival tea party this morning in the great hall of the (Ningwozhuang) Guesthouse in Lanzhou. Some 400 well-known people from all nationalities, various circles, and all quarters, and representatives of the intellectuals on all fronts happily gathered under the same roof to greet the joyous Spring Festival.

Attending the Spring Festival tea party were leading comrades of the provincial CPC Committee, provincial Advisory Committee, provincial People's Congress, provincial government, and provincial CPPCC Committee, including Li Ziqi, Chen Guangyi, Wang Bingxiang, Liu Bing, Yang Zhilin, Li Keru, Ge Shiying, Chen Zhi, Wu Jian, Liu Lanting, He Jianshan, Xing Anmin, Ma Pilie, Yang Fuxing, (Zhou Yueshi), (Wen Xuanyu), Huang Zhengqing, Wang Shijie, Lu Zhongliang, Yan Shutang, Ma Zhongyong, Zhu Xuanren, (Gonghanchang Danbeiwangxu), and (Xu Shiwen).

On behalf of the leaders of the provincial party and government, Li Ziqi, secretary of the provincial CPC Committee, extended festive greetings to the comrades attending the tea party. Comrade Li Ziqi said: In the past year, people of all nationalities, various circles, and all quarters did a lot of work to build the two civilizations in our province and scored great achievements. At present, correcting party style is an urgent task confronting us. It is hoped that you will actively put forward valuable views and suggestions and make new contributions toward correcting party style, changing the general mood of society, and further invigorating Gansu's economy.

Many responsible persons of all democratic parties and mass organizations, nonparty democratic figures, and people from religious circles attending the Spring Festival tea party spoke, declaring that they would set an example in changing the general mood of society and give play to their specialties and good points to serve reform, opening to the outside world, and invigorating the domestic economy. They would especially attach importance to the economic development in the old liberated areas, areas of minority nationalities, border areas, and poor areas so that these areas can be provided with information and can import technology and introduce qualified personnel.

GANSU TO INCREASE URBAN RESIDENTS GRAIN RATION

HK080537 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 6 Feb 86

[Text] To carry out the State Council's order on unified rationing in our country and to make it easy for statistical work and for the masses to purchase grain, the Provincial Government recently decided that beginning 2 April this year, the grain ration of an urban resident in our province should be increased from the 13.75 kilograms per month at present to 14 kilograms.

NINGXIA TO PROMOTE, ENHANCE GRAIN PRODUCTION

HK101300 Yinchuan NINGXIA RIBAO in Chinese 29 Jan 86 p 1

[Report: "Li Xuezhi Announces: Ningxia Regional CPC Committee and Government Decide To Adopt Eight Policy Measures to Protect and Mobilize the Peasants' Initiative in Growing and Selling Grain"]

[Text] The regional rural work conference has been in progress in Yinchuan since 25 January. At a general meeting on 28 January, Li Xuezhi, secretary of the regional CPC Committee, announced that in order to protect and mobilize the peasants' initiative in growing and selling grain and further promote grain production, the regional CPC Committee and people's government have decided to adopt the following eight policy measures:

1. Improve and perfect the system of fixed quota purchases of grain on a contract basis. The quantity of grain thus purchased by the whole region has been reduced from 700 million jin last year to 450 million jin. It is planned to purchase another 400 million jin on a negotiated basis, but this will not be assigned as mandatory tasks to prefectures, cities, and counties. In the future, it will be arranged in light of the grain harvest situation.

2. Provide the peasant households which have signed contracts on selling grain with a certain amount of fine-quality chemical fertilizer at the state market price or at a preferential price lower than the state price. These peasant households also have priority to get loans from the state.

3. Appropriately lower the selling prices of small chemical fertilizers so as to reduce the cost of grain production.

4. Increase investment in agricultural capital construction. The investment in agricultural capital construction gy the regional finance department will be gradually restored to the level of 1983 (of which the investment in water conservancy construction will be restored to the level of 1980). All cities and counties are also required to increase their agricultural investment.

5. "Supplement agriculture with industry." Beginning this year, the autonomous region will use more than 50 percent of funds obtained from the increase in levying income taxes and industrial and commercial taxes on town and township enterprises to help develop agriculture, mainly to subsidize grain production. Bonus tax will also be used in agriculture. The town and township enterprises will use at least 50 percent of the profits they have turned over to township and village authorities in agricultural capital construction and public facilities.

6. Effectively lighten the burdens of peasants engaged in agricultural production. It is necessary to improve the method of overall arrangement of expenses and collective retention of funds so as to gradually solve the problem of the great disparity between the peasants engaged in agricultural production and those engaged in industrial production and commercial activities.

7. On the premise of the production on dry land not being affected, actively reclaim new rice fields on uncultivated saline-alkali and low-lying land, so as to promote rice production. Whenever one mu of wasteland is reclaimed, the state will lend the person who reclaims the land 40 yuan, which can be paid off over 4 years. The state plans to allot 2 million yuan for this purpose, two-thirds of which will be allotted by the autonomous region. The rest will be allotted by the agricultural reclamation bureaus of various prefectures, cities, and counties. If conditions allow, more funds will be allotted. In this way, some 250,000 mu of new rice fields will be reclaimed in 5 years.

8. Continuously and vigorously promote the capital construction of water conservancy works. This spring, it is necessary to do a good job in repairing water conservancy works. The construction of the Guhai pumping project should be completed and put into production this year, and preparations should be made for the construction of the first phase of the Yanchi-Dingbian-Huanxian pumping project.

NINGXIA URGES SEPARATED MILITARY CADRES TO REMAIN

HK080611 Yinchuan NINGXIA RIBAO in Chinese 29 Jan 26 p 1

[Report by Fan Wei and Wei Zhaoqing: "Party Committees and Governments at All Levels in Ningxia Should Do a Good Job of Persuading Discharged Cadres of the People's Armed Forces to Stay and Work in Ningxia"]

[Text] Party committees and governments at all levels in our region have conscientiously performed ideological work among cadres of the people's armed forces and actively taken measures to persuade the cadres of the people's armed forces to stay in Ningxia and contribute to the development of Ningxia Autonomous Region after they are transferred to civilian work.

The regional CPC Committee and people's government have paid great attention to the important policy of putting the people's armed forces department at the county level under the control of the local people's government. Li Xuezhi, secretary of the regional CPC Committee, Hei Boli, chairman of the regional people's government, and responsible comrades of the relevant departments have twice listened to the report from the Ningxia Military District on the work of reconstructing the people's armed forces. They have outlined clear requirements on how to prepare for the reconstruction work. They have also issued special documents on the work and made arrangements for carrying out the work of reconstructing the people's armed forces. They have stressed that CPC committees and people's governments at various levels should treasure the enthusiasm of the cadres of the people's armed forces, who deeply love the motherland and the big northwest, and welcome the cadres of the people's armed forces to stay in Ningxia and contribute to Ningxia's construction.

The Shizuishan City CPC Committee, the Yinchuan City CPC Committee, the Guyuan administrative office, and the Yinnan administrative office have respectively held discussions on how to do this work well and how to cooperate with the Army to do the work of reconstructing the people's armed forces well. The Shizuishan City CPC Committee has also carried out various kinds of activities to express gratitude to the cadres of the people's armed forces, held symposiums in the people's armed forces department, talked with the cadres, even visited the cadres' homes and tried to help those cadres who are willing to stay and work in Ningxia overcome some difficulties, such as their housing problem, employment for family members of the cadres, education of their children, and so on. Hu Weixin, former secretary of the Qingtongix City, has been to the people's armed forces department three times to give reports on the regional situation, the industrial and agricultural development of the region, and the good prospects of the region. They have allocated 170,000 yuan to help the people's armed forces department build dormitories for the cadres of the people's armed forces and find jobs for family members of four cadres of the people's armed forces. The leaders of Shihuijing district of the Helan mountainous area have also expressed a willingness to find jobs at any time for family members of the cadres of the people's armed forces who are willing to be transferred to local civilian work, so long as their family members have jobs at present and are willing to be transferred to the area. If their family members do not live with the Army, the district can also try to properly resettle them in the district according to their respective situations. For example, Qiao Hongru, chief of the logistics section of the people's armed forces department of Xiji County, had originally planned to go back to Shaanxi, his native place. But after Wang Hunshan, former secretary of the Xiji County CPC Committee, talked with him and persuaded him to remain in the county, he was deeply moved and agreed to settle down in Xiji County to help with work relating to the people's armed forces in the county.

CPC committees and people's governments at all levels in our region are sincere and warm in persuading the cadres of the people's armed forces, who are to be transferred to civilian work, to stay in the region and contribute to regional construction. All this has deeply moved and encouraged all the cadres of the people's armed forces in the region. Many of them have said that they will not be unworthy of the profound love of the people of the whole region, and will settle down in Ningxia and do a good job in work relating to the people's armed forces.

SHAANXI AUDITORS RECOVER MISAPPROPRIATED FUNDS

HK070839 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 3 Feb 86

[Text] The province's auditing organs at various levels have fulfilled their role of economic supervision. Over the past two years they have recovered 267.68 million yuan of misappropriated funds, such as retaining funds targeted to the state and bonuses and payment in kind which were arbitrarily given.

The province's auditing organs were founded in 1984. In 2 years, they have totally examined the financial situation of over 3,000 enterprises and institutions. They have discovered that some units have violated financial discipline and committed serious crimes.

In 1984, the province's education sector misappropriated 10.3 million yuan of educational funds. In Xian City, the paint company made a profit of 2.2 million yuan by speculating on the state's low-priced paints.

Stressing focal points, the organs also examined the problem of some units abusing power and arbitrarily giving money and payment in kind under the pretext of reforms. They eventually recovered 20.47 million yuan misappropriated for bonuses, allowances, and making clothes. At the Heyang County epidemic prevention station, which only employs 30 workers, the total number of suits made was 215, or six suits for each worker, involving a total sum of 10,770 yuan.

The organs also examined and conducted education about loans granted by the province's industrial and commercial banks since 1979. They found out that some loans were not used in accordance with the regulations, or that the loans were not used in a way that brings great economic results. These issues have been handled and corrected.

XINJIANG'S SONG HANLIANG SPEAKS AT CONFERENCE

HK070435 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 3 Feb 86

[Excerpts] In his speech delivered at a recent conference held by the regional CPC Committee on rural work, Comrade Song Hanliang, secretary of the regional CPC Committee, pointed out that a new situation has now appeared in the regional's rural economy. Our achievements are mainly due to reform. To further develop the region's rural work in the future, it is also necessary to rely on reform.

Comrade Song Hanliang said that this year the focus of the region's rural work, just as for that of the whole country, is to further consolidate, digest, supplement, and improve the current reform; to preserve the good and remove the bad; to solve prominent problems; and to give full play to the overall effect of policies. Put it more specifically, it is necessary to grasp the following tasks.

1. It is necessary to further dredge circulation channels so that agricultural and sideline products can circulate more smoothly.

2. It is necessary to further improve the price system.

3. It is necessary further perfect contracts on purchase of cotton and grain.

4. It is necessary to establish and perfect local cooperative economic organizations in rural and pastoral areas and to further perfect the dual-level business system with a combination of centralized and decentralized operations.

XINJIANG: SONG HANLIANG DISCUSSES AIDING POOR

HK050233 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 4 Feb 86

[Excerpts] Regional CPC Committee Secretary Song Hanliang proposed in his speech to the recent regional rural work conference a number of measures for helping poor areas to extricate themselves from poverty. He demanded that party committees and government at all levels grasp support for poor areas as a political task and switch from providing relief to aiding production.

He stressed the following points:

1. Send by rotation a number of young cadres from the regional, prefectural, and city organs to strengthen work in poor areas.

2. Practice still more flexible and open policies for the poor areas, such as appropriately reducing or waiving taxes.

3. Provide support in production. In particular, it is necessary to help them turn their strong-point products into commodities. They should be looked after as much as possible in the supply of production materials. Their grain procurement quotas can be appropriately reduced.

4. Large state-owned factories, mines, and other enterprises should take responsibility for supporting local poor areas.

SONG HANLIANG CELEBRATES XINJIANG SPRING FESTIVAL

HK120733 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 9 Feb 86

[Excerpts] Today is the first day of the lunar year, the traditional Spring Festival of the Chinese people. The regional CPC Committee and people's government arranged a cadre gathering at the people's hall this morning to mark the festival. Over 2,000 cadres of department and bureau level and retired old cadres happily gathered under the same roof to celebrate the Spring Festival of 1986.

Present on the occasion were Song Hanliang, Wang Enmao, Tomur Dawamat, Janabil, Li Shoushan, Amudun Niyaz, Zhang Sixue, Bai Chengming, Qi Guo, Tuerxun Atawula, Wang Zhenwen, (Xu Zhen), Li Jiayu, Huang Baozhang, (Ismail Yasenlufu), (Peng Guangcai), (Chen Shi), and other responsible comrades of the regional party, government and military organizations, the regional CPPCC and the Xinjiang Production and Construction Corps.

At the gathering, Song Hanliang, secretary of the regional CPC Committee, delivered an ebullient speech. He said: At the moment of getting rid of the old and making way for the new, on behalf of the regional CPC Committee and people's government, I extend the warmest festival greetings and the best regards to workers, peasants, herdsmen, intellectuals, and cadres of all nationalities, workers of the Xinjiang Production and Construction Corps, and PLA units stantioned in Xinjiang, all officers and men of the People's Armed Police Force, who fought bravely on different fronts in the region during the past year and made contributions to the great cause of building and defending the border areas, as well as to patriotic and democratic personages of all walks of life and all nationalities. I extend my highest respects to the PLA officers and men of Xinjiang origin fighting in the forefront at Laoshan and wish them a happy new year and successful victories for the motherland. I express heartfelt thanks and pay high tribute to all comrades standing fast at their posts during the Spring Festival, and I extend cordial festival greetings to all retired old comrades and wish them good health, a long life, and a peaceful old age.

Comrade Song Hanliang also said: This year is the first year of the Seventh 5-Year Plan. We must concentrate our efforts on economic construction, and at the same time, we must make a success of reform in various fields; promote the building of a socialist society that is advanced culturally and ideologically; cement the unity of our various nationalities; and work hard to improve party conduct. Provided we carry forward the spirit of the foolish old man who removed the mountains and work hard with one heart and one mind, a scene of bustling activity will certainly appear in the region's four modernizations and a picture of prosperity will surely emerge in our different undertakings.

In the afternoon, Song Hanliang, Wang Enmao, Tomur Dawamat, and other leading comrades of the regional CPC Committee and people's government paid new year calls to some workers, peasants, teachers and retired cadres in the Urumqi area. They wished them happy new year and good health and encouraged them to make greater contributions to the building of the region's two civilizations in the new year.

XINJIANG LEADERS ATTEND NEW YEAR GATHERING

HK090205 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 5 Feb 86

[Excerpts] The regional people's government, the Xinjiang Military District, and the Urumqi City people's government jointly held grand gatherings this afternoon at the people's theater and 10 other theaters to mark the Spring Festival. Some 15,000 armymen and people of various nationalities met happily to greet 1986's Spring Festival.

Leaders of the regional party, government, army, and CPPCC committee and of Xinjiang Production and Construction Corps -- Song Hanliang, Wang Enmao, Tomur Dawamat, Janabil, Amudong Niyazi, Tan Guangcai, Ismail Yashengnuofu, and Chen Shi -- attended the gatherings along with workers, peasants, administrative organ personnel, scientific and technological personnel, teachers of various nationalities, people from religious circles, Hong Kong, Macao, and Taiwan compatriots, and foreign specialists in Urumqi.

The gathering was presided over by Ismail Maikeshuti, mayor of Urumqi City. Amudong Niyazi, deputy secretary of the regional CPC Committee and chairman of the regional People's Congress Standing Committee, spoke at the gathering. He extended season's greetings and best regards to representatives of various nationalities from all circles and the people of various nationalities in Xinjiang.

Amudong Niyazi said the PLA stationed in Xinjiang is a long-tested army which serves the people of various nationalities in border areas heart and soul, and has made great contributions in developing building, and defending the border areas. The people of various nationalities in Xinjiang will never forget this.

In his speech, Tan Guagcai, political commissar of the Xinjiang Military District, said that over the past year CPC committees and governments at all levels and people of various nationalities in the region showed political concern for the military district and the armed forces, supported their work, and gave preferential treatment to them in goods supply, so that the military district and armed forces could successfully fulfill all tasks. Tan Guangcai also said that in the new year it is necessary to further educate the armed forces about unity of nationalities, about being revolutionary armymen with lofty ideals, good morality, knowledge and good health, about the three ardent loves, and about the inseparable relations between Han and minority nationalities. The military district and armed forces must vigorously support economic construction in the region and contribute to developing and building Xinjiang, making Xinjiang prosperous and powerful, and making people of various nationalities rich.

XINJIANG'S SONG AT OVERSEAS CHINESE PARTY

HK080551 Urumqi Xingiang Regional Service in Mandarin 1300 GMT 3 Feb 86

[Text] More than 200 returned Overseas Chinese and family members of Overseas Chinese in the Urumqi area held a get-together at the Huaqiao Hotel this afternoon to greet the 1986 Spring Festival. Song Hanliang, secretary of the regional CPC committee; Jin Yuanhui, vice chairman of the regional government; some Hong Kong and Taiwan compatriots; and some Overseas Chinese and foreign nationals of Chinese descent now touring or visiting their relatives in Urumqi were invited to the get-together.

On behalf of the regional CPC Committee and people's government, Song Hanliang extended season's greetings and best wishes to the returned Overseas Chinese and family members of Overseas Chinese. Song Hanliang said that returned Overseas Chinese and family members of Overseas Chinese are an important force in the region's four modernizations drive. They have various links to the outside world. Xinjiang-origin Overseas Chinese or foreign nationals have economic, scientific, and technological advantages. We can strengthen ties with them through returned Overseas Chinese or family members of Overseas Chinese in our region and bring in funds, equipment, technology, and talented people to develop and build Xinjiang.

Song Hanliang expressed the hope that returned Overseas Chinese and family members of Overseas Chinese of various nationalities would study still harder, reach political unanimity with the CPC Central Committee, uphold the four basic principles, conscientiously safeguard unity between nationalities, give full play to their strong points and superiorities, and make contributions to promoting the four modernizations, to reunifying the motherland, and to safeguarding world peace.

Theatrical workers from the Xinjiang ensemble and the acrobatic troupe of the Xinjiang Production and Construction Corps performed at the get-together.

WANG ENMAO ADDRESSES XINJIANG LITERARY FORUM

HK090209 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 5 Feb 86

[Excerpts] The Xinjiang Military District held a forum today on literary works with a military theme. Wang Enmao and other leading comrades of the military district attended the forum and delivered speeches. In his speech, Comrade Wang Enmao stressed that in creating literary works we must adhere to Mao Zedong's thoughts on literature and art and the orientation of serving the people and socialism, and serve the people of various nationalities in Xinjiang. Comrade Wang Enmao encouraged writers to plunge into a fervent life, write more good works characterized with Xinjiang style, imbue Xinjiang's military literary works with patriotism, and contribute to building socialist spiritual civilization.

PRC OFFICIAL SEES CHANGING ATTITUDES IN TAIWAN

HK080541 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 5, 3 Feb 86 pp 18-19

[Article by Li Jiaquan, deputy director and research fellow of the Research Center on Taiwan under the Academy of Sciences of China: "The 'One Country, Two Systems' Policy and the Interests of the Taiwan People"]

[Excerpts] I know some scholars and friends of Taiwan origin now living abroad. I have participated with them in some academic symposia. I have also read many articles by scholars of Taiwan origin as well as nonparty personalities from Taiwan. Some of them are rather doubtful about the CPC proposal of "one country, two systems," feeling that the concept does not necessarily conform to the interests of the Taiwan people.

I have thought about it for a long time. What really are the interests of the Taiwan people? This is a very broad question. If it is dealt with in a general manner it will fade away, being too abstract and not easily understood. At the present, the most fundamental interest of the Taiwan people should be that of maintaining the continuous stability and prosperity of Taiwan's economy. Nothing is more important than that. Realizing this target is precisely what we want to discuss.

To my mind, if the "one country, two systems" concept is turned against the interests of the Taiwan people, and if some practices counter to it are adopted, resulting a failure of reconciliation between the two shores of the Taiwan Strait it will only result in an intensifying of the contradiction. It will only lead to more confrontation and opposition among the two parties, greater political unrest in Taiwan, and a stricter implementation of the martial law. Thus, the good environment and conditions of Taiwan, with its stability and harmonious economic development, will be completely spoiled. Will it do any good for Taiwan's economy and the Taiwan people? The advantages and disadvantages of the two propositions are very clear.

Some people say the living standard of the Taiwan people is higher than that of mainlanders and that implementation of "one country, two systems" will not bring anything to the Taiwan people; on the contrary, they would only be harmed. True, the living standard of the Taiwan people is much higher than that of the mainlanders. But to my mind, things are always varied. The living standard in all areas of Taiwan is not the same, nor is it the same between its eastern and western parts. On the mainland, the living standard in Shanghai, Jiangsu, and Zhejiang is also not the same as in the northwest; but this does not affect the northwest as a part of China. Looking at the "one country, two systems" concept, both Taiwan and the mainland are component parts of the PRC. As a special administrative region, Taiwan would maintain its original social system and independent judiciary. Ultimate jurisdiction would not go to Beijing. Taiwan may also have a separate budget and the mainland will not collect any taxes or apportion any duties. How then can this harm the interests of the Taiwan people?

Some people continue to doubt the feasibility of the "one country, two systems" concept, saying it seems very difficult to implement "two systems" within "one country." I hold that whether it is feasible depends first on the sincerity of the two parties. I believe the CPC is sincere, and everyone who has studied in-depth the CPC's current policies will reach the same conclusion. Second, all this depends on whether there are legal guarantees. China is gradually completing and perfecting its legal system. That special administrative regions will be set up respectively in Taiwan and Hong Kong, with social systems that differ from the mainland, has already been recorded in the state Constitution. Further explicit stipulations may be made on may other issues through talks and negotiation. Third, it all depends on people's will. The concept of one

country, two systems, peaceful coexistence, refraining from injuring each other, all this has given expression to the common wish of people on both shores for building the motherland and invigorating the Chinese nation. No serious party will violate any of this. To do so would be to lose honor before the people, as well as international society.

The CPC is now more mature than in the past. It is impossible for the CPC to go back on its word.

I am happy to find that many friends and scholars of Taiwan origin, including some nonparty personalities who once held different opinions on these issues have changed some of their views. This is based on recent contacts with them and on articles I have read. I believe one day they will approve of the "one country, two systems" concept. We are looking forward to the day when the great unification, unity, and invigoration of China will come true.

CHINA POST ON U.S.-TAIWAN RELATIONS UNDER TRA

OW100635 Taipei CHINA POST in English 6 Feb 86 p 4

[Editorial: "Discussion of U.S. Ties With ROC"]

[Excerpt] In a Senate Foreign Relations Subcommittee hearing Feb. 4, a discussion was held between Senator Jesse Helms, Rep.-N.C., on one side and new U.S. Ambassador to Indonesia Paul D. Wolfowitz and new Assistant of Secretary of State Gaston J. Sigur Jr., on the other as to present U.S. relations with the Republic of China [ROC] and the Chinese mainland.

Senator Helms voiced his concern about maintaining continued strong ties with the Republic of China at the confirmation hearing of both appointees. Both contended that U.S. ties with Taiwan under the Taiwan Relations Act (TRA) do not conflict with U.S. relations with mainland China. Sigur told Helms that in the 1982 communique with Peking "we agreed to the reduction of arms sales to Taiwan -- based on the fundamental policy of the Chinese for settling by peaceful means the Taiwan question." He said, "I don't see any conflict between the (1982) communique and the Taiwan Relations Act," passed by Congress in 1979 and providing for unofficial relations with Taiwan until the "Taiwan question" is peacefully settled.

It is unfortunate that Sigur failed to see any inconsistency between the joint communique and the TRA as the joint communique is merely an executive agreement while the TRA is the law of the land and the Act must preempt the executive agreement. Moreover, the Chinese Communists have not lived up to the condition of the 1982 joint communique of peaceful settlement of the so-called Taiwan question. Instead, Chao Tzu-yang and other Chinese Communists have openly threatened to invade Taiwan by force in 8 to 10 years. How could the United States implement the joint communique in view of the Chinese Communists' violation of the fundamental policy of peaceful settlement of the so-called Taiwan question?

Senator Jesse Helms' concern about maintaining strong U.S. ties with the Republic of China was therefore quite justified and not unfounded in the least. He pointed out at the hearing that President Reagan and his administration are under pressure to revise the existing policy on the ROC by asserting that "not only would it be immoral for him and his administration to change our commitment to Taiwan, it would be the worst possible statement to our other friends" about U.S. reliability.

A thorough review of the Reagan administration's implementation of the TRA is indeed long overdue. As Senator Barry Goldwater has announced his intention of holding such a hearing, the American people will have an opportunity to learn who are betraying the Taiwan Relations Act's fundamental purposes and objectives and lobbying in favor of the Chinese Communists. If such betrayal is so, the people of the Asian and Pacific region deserve to know that their vital interests and security would not be further compromised or even endangered. The people of the Republic of China have the right to know who our true friends are and who our potential enemies -- posing as friends -- are.

KOREAN CROSS RECOGNITION SCHEME EXAMINED

OW071145 Taipei CNA in English 1025 GMT 7 Feb 86

[Text] Taipei, Feb. 7 (CNA) -- A local newspaper Friday called on the nation to watch closely the development of the proposed cross recognitions between the United States, Japan, the Soviet Union and Communist China and North and South Koreas. The UNITED DAILY NEWS said in an editorial that the idea was apparently initiated by the United States. The United Nations and some other countries, including France, India, and Japan also have helped promote the proposal. A recent statement by South Korean Foreign Minister Yi Won-kyong on the cross recognition problem hinted that the past contacts among the parties concerned might have yielded some results, the editorial pointed out.

The UNITED DAILY NEWS opined that Yi's remarks clearly reflected a change in South Korea's position on the proposed cross recognition. Seoul originally opposed the arrangement, but it now supports the scheme, the paper said. The realization of the scheme, however, depends on the attitude of North Korea, the paper noted. North Korean leader Kim Il-Song has been opposed to the plan, and there is little possibility that Kim will change his mind overnight, the paper said.

But Kim is aging and prepared to pass political power to his son. The paper thus did not rule out the possibility that North Korea might accept the proposal in exchange for the withdrawal of U.S. Armed Forces from the Korean peninsula.

PROGRESS MADE IN WEAPONS SYSTEM DEVELOPMENT

OW070531 Taipei CNA inEnglish 0300 GMT 7 Feb 86

[Text] Taipei, Feb. 6 (CNA) -- The Executive Yuan said Thursday that it has already made significant progress in the research on and development of advanced weapon systems, thus helping the nation's Armed Forces improve their defensive, offensive and mobilization capabilities. The yuan pointed out that over the past one year, ROC [Republic of China] Army units have completed deployment of defensive missiles at all strategically important positions, and the Navy was also making vigorous efforts to build up a fleet of advanced combat ships and improve its development along the coasts.

In the coming one year, the Air Force will continue its efforts to develop high-performance fighters, establish a task froce capable of carrying out bombardment and attack missions, and improve its electronic defense command system so as to increase its combat capabilities.

In a written report to the Legislative Yuan on the nation's defense affairs in the first half of fiscal 1987, the Executive Yuan said that at the present stage, the priorities in the development of defense technologies are placed on the improvement of the weapon systems for countering air and sea offensives. On the other hand, the government will stick to the principle of developing those weapons systems with multiple purposes.

The yuan said the government will continue to develop high-performance fighters, missiles, a control radar system, and updating its naval weapons and surveillance equipment, and make evaluation of the armed forces' overall combat capabilities in accordance with the established defense policy and the development of the situation of the China mainland.

TAIPEI JUSTIFIES BAN ON NEW POLITICAL PARTIES

OW100143 Taipei International Service in English 0200 GMT 8 Feb 86

[Station commentary]

[Text] Among the questions most often asked of Republic of China [ROC] officials is why the ban on new political parties cannot be lifted. The ROC is a free and democratic country with three political parties. But one, the Kuomintang or Nationalist Party of China, is dominant. The Young China and the Socialist Democratic Parties are largely negative and elect few candidates. However, citizens are free to run in all elections and many nonpartisans have been successful.

The Executive Yuan or cabinet recently asserted that it has no plans to open the electoral process to new parties within the foreseeable future. The reasoning is clear and to the point. Free China faces what the cabinet has described as an extraordinary situation in which the Chinese Communists have not renounced the use of force against it. Therefore, to assure social stability and solidarity, it is not appropriate to sanction the formation of new political parties. To spell this out in more detail, adquate political representation of all points of view -- except that of communism -- the three extant parties, and the permissibility of nonpartisanship are quite sufficient. Democracy does not require 2 parties or 10. The necessity is that there be opposition, and that clearly exists.

With the communists bent on power by violent means, the admission of new parties to the political field inevitably would allow their representatives and sympathizers to bid for power. Who wants new political parties? Obviously, the communists or those in league with them.

Additionally, several difficult problems remain to be solved for the political unification of China. The communists are in control of the mainland, so all-China elections cannot be held. Lawmakers who came to Taiwan with the government in 1949 hold permanent office in the Legislative Yuan, the National Assembly, and the Control Yuan until the mainland is free once more. New blood has been added to the national political bodies through additional representatives for Taiwan and the filling of vacancies. Local governments have been developed at provincial, central cities, and the lower levels. In other words, the Republic of China has been as free and democratic as the circumstance of a continuing pro-communist rebellion would permit.

The destruction of the Republic of China in the name of democracy would achieve nothing less than concurrent destruction of freedom and democracy. An additional political party or parties could contribute to this result. Whether the Republic of China eventually becomes a country of many parties or two or three will have to await the final resolution of the China problem. For now, the position of the Executive Yuan provides a guarantee of free survival for the Republic of China and the 19 million people of Taiwan to fight on to assure that all the more than a billion Chinese will enjoy the heritage of Confucianism and the Three Principles of the People, nationalism, decmocracy, and social welfare.

HU, ZHAO CITED ON HAINAN AUTOMOBILE CASE

HK130647 Hong Kong WEN WEI PO in Chinese 13 Feb 86 p 1

["Special Dispatch" by staff reporter from Guangzhou: "Hu Yaobang, Zhao Ziyang Inspected Hainan on Different Occasions and Talked About the Automobile Case"]

[Text] Guangzhou, 11 Feb -- CPC Central Committee General Secretary Hu Yaobang and Premier Zhao Ziyang respectively arrived at Hainan Island before and during the Spring Festival. During his stay at Hainan Island, Hu Yaobang called a meeting of party, government, and Army cadres at various levels, inspected various parts of Hainan, and gave fairly clear-cut instructions on various issues, such as Hainan's continued opening to the outside world and its construction, which have drawn widespread attention at home and abroad following the automobile case.

Hu Yaobang called on Hainan's cadres at all levels to extricate themselves from the automobile case, to understand the case from a positive aspect, to sum up lessons and experiences, and to correct their mistakes. They need not let it weigh on their minds and give them a sense of inferiority. He held that Hainan enjoys exceptional advantages. It has favorable natural conditions that can be developed and used. For instance, it can vigorously grow industrial crops and develop the fishing industry. Situated in the subtropical zone, two-thirds of Hainan's area is most suitable for the development of tourism. If it can make a success of this, it can attract more than a million tourists to Hainan each winter. This will represent an inestimable income. If this income is used in construction, there will be wonderful prospects for Hainan. Improvement in the living standards of the Hainan people will also be just around the corner. Hu Yaobang reportedly placed high hopes on, and gave encouragement to, Lei Yu, former leading cadre of the Hainan Administrative Region who had been transferred to another post. He held that he "is bold and resolute in his work and has drive. It will be good if he can realize his mistakes and correct them." After leaving Hainan, Lei Yu was assigned to Guangdong's Conghua County and worked as deputy secretary of the county CPC Committee.

After the central authorities criticized Hainan for the automobile case and instructed it to correct its mistakes, Hainan was in financial difficulties because the imported commodities and huge sum of money derived from profiteering were confiscated. But the central authorities understood Hainan's need for construction funds. In 1985 the state allocated several hundred million yuan. In his recent inspection tour to Hainan, Zhao Ziyang also made decisions in light of the practical conditions there. In the financial budget for 1986, the central authorities have reduced Hainan's tax payments by several hundred million yuan in order to alleviate its financial difficulties.

ZHAO ZIYANG INSPECTS SHANTOU ECONOMIC ZONE

HK070721 Hong Kong WEN WEI PO in Chinese 6 Feb 86 p 1

["Special Dispatch From Guangzhou" on 5 February: "Zhao Ziyang Inspects Shantou Special Zone"]

[Text] Premier Zhao Ziyang of the State Council, accompanied by Hu Qili, secretary of the CPC Central Committee Secretariat, and Tian Jiyun, vice premier of the State Council, inspected the Shantou Special Economic Zone from 3 to 5 February. Zhao Ziyang felt that the Shantou Special Economic Zone had achieved more results with less investment and that the road taken by the Shantou Special Economic Zone is a correct one.

During their visit to Shantou, Zhao Ziyang and other members of his delegation went to see the Shantou Special Economic Zone products exhibition and also went to the joint venture 3,000-ton container and bulk wharf to see the operating area of the wharf and watch the workers there. Zhao Ziyang also went to the Jinglong Textile, Dyeing, and Clothes Manufacturing Co Ltd, the Huadabao Porcelain Manufacturing Co, the Yixing Enterprise Co Ltd, and the Zhengda (Shantou) Carpet Factory, all of which are enterprises independently owned by Hong Kong and Macao businessmen. While visiting these enterprises, Zhao Ziyang talked with the managers of these enterprises and got first-hand information about the situation of the enterprises in the special economic zone.

During his stay in the Shantou Special Economic Zone, Zhao Ziyang and other members of his delegation listened to a report by Liu Feng, the director of the Administrative Committee of the Shantou Special Economic Zone, and expressed their appreciation of the achievements gained by the special economic zone.

BO YIBO ON ALL OFFICIALS BELONGING TO CPC

HK070719 Hong Kong WEN WEI PO in Chinese 4 Feb 86 p 2

["Special Dispatch": "Bo Yibo on Malpractices Involving Party Members"]

[Text] Bo Yibo, vice chairman of the Advisory Commission and permanent vice chairman of the Commission for Guiding Party Rectification of the CPC Central Committee, held that the phenomenon in which "if one does not join the party, one will never become an official and all officials are party members" should be "thoroughly studied and solved."

Bo Yibo made these remarks when he recently wrote comments on a report of related materials. In the written comments, he said: Ours is a party in power. Over the last 3 decades or more, a situation in which "office cadres (officials) at various levels are all Communists" emerged before we knew it. Only Communists can be officials. However, without the participation, both direct and indirect, of Communists in encouraging unhealthy practices, these unhealthy practices would not have become, in a certain sense, so "popular." This is because our "legal system is not sound and perfect and officials are not subjected to the supervision of the people" and moreover, "the idea of party members being servants of the people seems not to have been stressed for some time, still less to be practiced." He said: This is "the conclusion" he "drew from party rectification work lasting for several years."

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FOREIGN MINISTRY URGES IRAN-IRAQ CEASE-FIRE

OW140754 Beijing XINHUA in English 0745 GMT 14 Feb 86

[Text] Beijing, February 14 (XINHUA) -- A Chinese Foreign Ministry spokesman today called on Iran and Iraq to effect an immediate ceasefire and settle their differences and disputes through peaceful consultations.

He said in a statement: "Recently there has been a further escalation of the war between Iran and Iraq, which has caused great losses of life and property to the peoples of these two countries and posed a serious threat to peace and stability in the Gulf region. We are deeply disturbed and concerned about this. We therefore call on both Iran and Iraq to exercise restraint, effect an immediate ceasefire and settle their differences and disputes through peaceful consultations under terms acceptable to both sides." The Chinese Government reiterates that it supports the international community and various parties concerned in their mediation efforts and various initiatives to bring about an early end to the war between Iran and Iraq, the statement noted.

LIAOWANG ON TRENDS IN INTERNATIONAL SITUATION

HK130213 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 5, 3 Feb 86 pp 23-24

[Article by Peng Di: "The Trend of Readjustment in the 1980's"]

[Text] The wind of readjustment sweeping Asia in the East and Europe and America in the West is a characteristic of the world situation in the first half of the 1980's. With the changed domestic and world situation, quite a few countries have successively readjusted their own domestic policies and relations with other countries to varying degrees. The trend of these readjustments has an important impact on the development of the situation in the second half of the 1980's.

Let us start with the United States. After experiencing the Vietnam war and the Watergate incident, the United States, where public sentiment ran low, was confronted with new challenges abroad. As far as the United States is concerned, military and geopolitical confrontation comes from the Soviet Union, economic and trade competition comes from Japan and Western Europe, and the struggle against power politics and for a change in the economic order comes from the Third World. A feeling of a big power suffering setbacks and the present being inferior to the past dominated the United States and also led some people to remember past times.

With the country entering the 1980's, protectionism and flaunting the banner of augmenting national strength to restore national prestige has gained ground in the United States. Politically, it has stressed taking one's ideological approach as the dividing line and has a strong anticommunist mentality. Economically, it has supported enterprises in their development and boosts market supply through tax-reduction policies. Financially, it has put inflation under control by raising interest rates, cutting down public welfare expenses, and curtailing outlay and, at the same time, maintained its unprecedentedly huge military spending on the basis of continued high deficits. In foreign relations, it has pursued an escalated hardline policy, thus further straining its relations with the Soviet Union, China, Western Europe, Latin America, and the Middle East for a time.

These policy readjustments have played a stimulative role domestically but are incompatible with the present needs in its relations with other countries. They are neither helpful in solving complicated international problems nor for the long-term interests of the United States. They have met no small resistance at home and abroad.

Therefore, people can see that the U.S. conservative stance in foreign relations has been somewhat scaled down. It has readjusted its policy toward China, thus avoiding a crisis. Although barriers to solving the Taiwan issue erected by the United States remain, generally speaking, significant progress has been made in Sino-U.S. relations.

U.S. policy toward Latin America and the Middle East is very unclear and shifts from time to time. On the one hand, the United States has done a lot of unpopular things, including launching military attacks on Grenada, imposing subversive threats against Nicaragua, and conniving at and supporting Israel in its military expansion and savage acts of aggression. But it has also continued to take the initiative to some extent in exploring ways to alleviate contradictions through political means. One most important principle to be followed in resolving regional problems must be to respect the independence, sovereign rights, and territorial integrity of various countries, including the national rights of the Palestinian people and the right of peoples in various Latin American countries to choose their own political system. This is where the key to the question lies. Whether or not the United States can readjust its related policies in this direction remains to be seen.

The most important U.S. topic in its relations with other countries is how to deal with the Soviet Union. Following the U.S.-Soviet November summit at the end of 1985, U.S.-Soviet relations turned from a war of words into a dialogue between the top leaders of the two countries. Bilateral relations have improved considerably and an easing has appeared in their relations to a certain degree. Although no significant progress has been made in such key problems as the arms race and contention for control of some regions in the world, both sides expressed their willingness to continue the momentum of dialogues at all levels, and at the higher level as well, to explore the possibilities for a compromise. This indicates that both the United States and the Soviet Union are attempting to readjust their own policies. U.S.-Soviet confrontation has lasted for quite some time. Evidently, their icy relations cannot completely be improved just because of several rounds of relaxed conversations. Nevertheless, if there are no incidents and if both sides continue their efforts to explore ways of readjusting their relations, a relatively stable situation may emerge in the second half of the 1980's although basic contradictions continue to exist.

There are also indications that policy readjustments are being carried out in the Soviet Union. Top Soviet leaders have passed away one after another, and the leadership changed hands three times within 2 years. Following the personnel changes, which were imperative, the problem of continuing or renewing existing policies also emerged. In 1982 Yuriy Andropov negated Leonid Brezhnev's thesis that the Soviet Union had built "developed socialism" and pointed out that the Soviet Union was just at "the starting point of the long historical stage of developed socialism." Therefore, some appropriate readjustments should be made in the Soviet Union's existing economic structure and policies. Mikhail Gorbachev has further viewed economic structural reform as one of the priorities in the country's work and made proposals for planning work, the management structure, the price system, and the methods of distribution, and for revising the Soviet Constitution. All in all, all kinds of information coming from Moscow indicates that the Soviet leaders do not deem the hard and fast policy as the best one.

In foreign policy, the Soviet Union has never been ready to admit shortcomings or mistakes. However, the spectator sees most clearly the right and wrong, the success and failure of their foreign policy. It is hard to imagine that there is no need to make a reappraisal of its foreign policy. So far people have seen no substantial change in this regard.

However, the Soviet Union has taken some steps to readjust its approach toward some issues, including its policy toward the United States and increasing the number of bilateral exchanges and political talks with China. The overbearing attitude it took toward numerous Third World countries during the 1970's and the early 1980's has been modified considerably, but judging from "hot spots" such as Afghanistan and Cambodia, any significant change in its attitude toward the issue is still far from reality.

China has clearly declared that it will conduct major readjustments and reforms in its domestic and foreign policies. It has made thorough and open self-criticism of policy errors committed during the "Great Cultural Revolution" and summed up the experiences, both positive and negative, since the founding of the PRC. At the end of 1978, China entered a new stage of bold and steady reform and made marked achievements in the first 5 years of the 1980's. It has pursued a policy of opening up to the outside world and invigorating the domestic economy, and simultaneously grasped the building of material and spiritual civilizations, thus opening up a road of socialist construction with Chinese characteristics.

China has also readjusted the priorities in its foreign policy in light of the developed situation. It has a clear-headed appraisal of the danger of a world war and is more confident in the growth of the forces for peace and of safeguarding the cause of peace. China has declared in unequivocal terms that it will firmly pursue an independent and peaceful foreign policy and not form any alliances with other countries. It is playing its unique role in safeguarding peace, opposing hegemonism, and promoting development. The tremendous changes taking place in China, the biggest Third World country, are winning a positive response from the world community.

West and East European countries, which belong to two military blocs, have been pursuing a more independent policy and thus they have a greater role to play. Quite a number of countries in the Asia-Pacific Region, the Middle East, and Latin America are also readjusting their own policies, partly in consideration of their domestic needs and partly as the result of a chain reaction. The situation is continuously changing and every country needs to readjust its policies, to adapt itself to the new situation. This is normal. Policy readjustments in some countries are carried out willingly but, on many occasions, policy readjustments are the result of the pressure of a situation.

If the forces for peace were not growing day by day and if the outcome of a nuclear war was not mutual destruction and global calamity, it would not be easy for the United States and the Soviet Union to sit down and readjust their relations, to avoid a head-on clash.

If the Third World does not adhere to independence, oppose bullying and humiliation by foreign countries, and demand fair treatment, the power politics characterized by strong, big nations bullying weak, small ones will not give way automatically.

Changes in the world economic situation such as intensified market competition, restoration of trade protectionism, and increased difficulties in economic development may serve as the objective conditions for many countries to seek a new solution through readjusting their domestic policies and their relations with the rest of the world. The continued development of science and technology has stimulated many countries to readjust their economic structures and strive to subsist in the course of a new technological revolution.

In other words, policy readjustments sooner or later become unavoidable. The problem is that, more often than not, people's understanding lags behind the development of the situation. Particularly, political short-sightedness, vested interests, and force of habit very often limit people's outlook and action. Commonly, that which needs readjustment is not readjusted. If the principle of contending for superiority on the basis of strength is not changed, it will be difficult to reach any agreement on arms control. If power politics is not discarded, equal and friendly relations between states cannot be achieved. If policies already not in keeping with present needs are not substantially readjusted, any state will find it hard to adapt itself to the changes of the times.

The trend of readjustment emerging in the 1980's seems to be anything but an accidental phenomenon. True, whether the readjustments carried out in some countries are false or true and are an act taken from a long-term point of view or an expedient measure, or whether they are carried out thoroughly or superficially remains to be tested by practice. However, the emergence of the trend of readjustment is better than a pool of stagnant water.

When entering the 1980's, people had both worries and hopes about the prospects for world peace and development. If the ongoing trend of readjustment can really keep abreast of the changed conditions of the times and continue to develop in line with the people's aspirations, world peace and development in the mid-1980's will be increasingly full of promise although people's worries about them continue to exist. Even if a force going against the tide of the times emerges, it will suffer disastrous defeat sooner or later.

SATELLITE LAUNCH ROCKETS FOR WORLD MARKET

OW131046 Beijing XINHUA in English 1031 GMT 13 Feb 86

[Text] United Nations, February 12 (XINHUA) -- China is willing to make two types of her satellite launch vehicles available on world market as her contribution to international space cooperation for peaceful purposes, a Chinese official declared here today. Shi Jicheng, Chinese delegate to the U.N. Committee on the Peaceful Uses of Outer Space, made the announcement at the 23rd session of its scientific and technical subcommittee. The two types of rockets to be available to other countries are "CZ-2" and "CZ-3".

In a lengthy review of China's space-related activities, Shi said so far China has successfully launched a total of 18 satellites, of which seven are recoverable ones launched by "CZ-2" rockets, and two are geostationary put into orbit by "CZ-3". These successful launchings have not only created "propitious conditions for China's own development of space science and technology," but also suggested her ability "to provide launching services to other countries," Shi stated. Meanwhile, Shi went on, China has made good progress in space science cooperation or exchange with many other countries, which include the United States, France, Federal Germany, Italy, Britain, Canada, Brazil, Thailand and India. China has also engaged in multi-lateral space-related activities, Shi recalled. Last year she sponsored an Asian regional seminar on remote sensing in April, and hosted a U.N. workshop on space science applications in October.

ENVOY TO U.S. SAYS TIES 'DEVELOPING STEADILY'

OW141048 Beijing XINHUA in English 1034 GMT 14 Feb 86

[Text] New York, February 13 (XINHUA) -- Chinese Ambassador to the United States Han Xu said this evening that Sino-U.S. relations were developing steadily and more progress has been made in various fields in recent years. Han addressed a conference on international strategic affairs at Columbia University in New York. About 250 people attended the opening session, which was called "China in Transition."

Last year, Han told the conference, the two countries signed four agreements for cooperation on peaceful uses of nuclear energy, culture, education and fishing. U.S. direct investments in China totaled more than 1.5 billion U.S. dollars, leading all other nations doing business in China. Sino-U.S. trade set a record, exceeding six billion dollars. Also in 1985, there were more exchanges of visits by government leaders and business executives, including Chinese President Li Xiannian's trip to the United States and U.S. Vice President George Bush's return tour of China. These visits have increased mutual understanding and friendship between China and the United States, Han noted. Ambassador Han pointed out that the U.S. Government has relaxed controls on technology transfer to China. "But we hope the United States will go further and show, specifically in this field, that it truly regards China as a friendly, non-allied country." He said China is firmly committed to an open-door policy and is offering various incentives to overseas banners and industrialists to do business in China.

Discussing China's independent foreign policy, he said, "China makes its own judgment and determines its own position on the merits of each case" in the interest of the chinese and the world's people. Han said Sino-U.S. relations would develop in a more productive way if the U.S. Government would abide by principles issued in the Sino-U.S. joint communiques. Better ties between the two countries are in the best interest of the Chinese and American people and for world peace, he added. The three-day conference is sponsored by Columbia University, in association with other insitutions including the Asia Society. Conference speakers will focus on China's recent economic and political development.

In his speech tonight, former U.S. Senator Abraham Ribicoff said that China with one billion people "is becoming more and more important in global endeavors." He discounted the notion that China is going to become another capitalist country. "The key means of production remain in the hands of the state, and the Communist Party remains firmly in charge," he explained. On relations between China and the United States, Ribicoff pointed out that the two countries have succeeded in resolving several impediments to normal trade relationship, such as frozen assets. China and the United States signed a comprehensive tax treaty that prevents double taxation of income earned by one country's nationals in the other country. This has opened the way for growing business and cooperation between the two coutries.

FORMER SENATOR LAUDS PRC REFORM POLICY

OW131320 Beijing XINHUA in English 1306 GMT 13 Feb 86

[Text] New York, February 12 (XINHUA) -- Former U.S. Senator Abraham Ribicoff said today that "China's present economic reform and other social policies are opening up a new road never traveled before" and represent "some of the most significant events in modern history".

In an exclusive interview with XINHUA at his Manhattan office, Ribicoff said that Chinese leader Deng Xiaoping and his colleagues "are implementing new policies that integrate socialist economic tenets with market forces: in an effort to expedite China's economic development and catch up with the advanced countries in the world.

Ribicoff was a U.S. senator from 1964 to 81 and chairman of the Senate International Trade Committee in 1979, the year that the United States granted "most favored nation" statues to China. He has visited China three times since 1982 on business for the law firm of Kaye, Scholer, Fierman, Hays and Handler, which employes him as a special counsel. The 74-year-old Ribicoff said each time he visited China he observed the progress made by the Chinese people and came back impressed by the vibrant life of the country. "I met Deng Xiaoping and all other top Chinese leaders in Beijing during my visits. They have a clear projection of their country's future and are in full charge of everything." he said. "I am confident that China will succeed in pursuit of its goal and its policy and practice may be followed by many other developing countries in the years to come," he said, adding that "the new policy is aimed at ensuring rapid economic growth and improving the people's living standards. It now works very well."

The positive economic results achieved over the last few years have proven the soundness of open-door policy which, he believes, will become long-term state policy. "The new policy will no doubt enable the Chinese people to accelerate their drive for modernization," he said. According to Ribicoff, the main areas for U.S.-China cooperation should be in the fields of high technology, communications, and exploration and development of oil, minerals and other natural resources. China is in need of all types of expansion and companies from both sides will benefit in starting joint ventures, he added. As a lawyer, he was particularly pleased with China's adoption of laws and regulations relating to foreign trade, patent, contract and other economic matters. The former senator sees these areas as essential in attracting foreign capital and technology. "China is moving in the right direction in perfecting its legal system," he said. Ribicoff said he expects "a strong and stable leadership in China to see the new policy carried through," as there is a second and third echelon of younger and dynamic leaders working along with the old generation of veteran revolutionaries, such as Deng Xiaoping and Hu Yaobang.

ZHEJIANG LEADERS MEET DELAWARE LT GOVERNOR

OW131235 Hangzhou ZHEJIANG RIBAO in Chinese 3 Feb 86 p 1

[Text] Yesterday afternoon, Wang Fang, secretary of the provincial CPC Committee, and Governor Xue Ju met Mr and Mrs S. B. Wood at the Hangzhou Hotel. Mr S. B. Wood is an American of Chinese origin and currently lieutenant governor of Delaware.

Mr Wood, whose ancestral home is in Zhejiang, was born in Shanghai. He is now the highest positioned Chinese in the U.S. Government. During the meeting, Wang Fang and Xue Ju held a cordial conversation with Mr and Mrs Wood and extended warm welcome to them on their visit to Zhejiang. Mr Wood said that although the weather was cold, his heart was very warm because of the reception in his native place. After the meeting, Mr and Mrs Wood attended a welcoming party given by Governor Xue Ju and Deputy Governor Xu Qichao in their honor.

To develop friendly cooperation between Zhejiang Pronvince and the State of Delaware, responsible persons of the departments concerned of Zhejiang Province yesterday morning briefed Mr Wood on the economic situation in Zhejiang.

Accompanied by Zhao Jiafu, director of the provincial External Affairs Department, and others, Mr and Mrs Wood yesterday morning went to Zhouxiang Town, Cixi County, to visit their former residence and to Yuyao City to pay respects to the tombs of their ancestors. They were warmly welcomed by the people of their native place. Lt Governor Wood arrived in our province from Shanghai on 2 February at the invitation of Deputy Governor Xu Qichao. He will leave for Ningbo tomorrow.

SOVIET PROPOSAL ON CHEMICAL WEAPONS REJECTED

OW130931 Beijing XINHUA in English 0751 GMT 13 Feb 86

[Text] Washington, February 12 (XINHUA) -- The United States today rejected a proposal by Soviet leader Mikhail Gorbachev for an interim agreement banning the spread of chemical weapons, and reaffirmed Washington's favor for a global ban on such weaponry.

Gorbachev proposed on January 15 certain interim steps that could aid progress on a ban on chemical weapons, including an agreement "on a multilateral basis not to transfer chemical weapons to anyone and not to deploy them in the territories of other states." The U.S. State Department in a statement today said that "Mr. Gorbachev's proposal for a formal agreement, along the lines of the nuclear non-proliferation treaty, is not appropriate, nor would it be effective due to the technical characteristics of chemical weapons." It went on to say that "such an agreement could also detract from the achievement of a global ban by diverting attention from the tough verification issues which have yet to be resolved."

According to the statement, the primary U.S. and Soviet efforts "should be directed toward a global ban." "We believe that an effective and verifiable global ban on all chemical weapons is the way to solve the triple problems of existing chemical weapons capabilities, their recent use and their further spread," said the statement. The statement, read by State Department spokesman Bernard Kalb, also said that "the United States has acted through diplomatic channels and by the imposition of export controls to hinder the spread of these weapons in the most dangerous cases."

CIVILIAN AIRLINE SERVICE BETWEEN U.S., USSR RESUMED

OW140210 Beijing XINHUA in English 0158 GMT 14 Feb 86

[Text] Washington, February 13 (XINHUA) -- The United States and the Soviet Union have agreed to resume direct civilian flights between the two countries, the U.S. State Department announced today. U.S. Deputy Secretary of State John Whitehead and Soviet Ambassador Anatoliy Dobrynin exchanged diplomatic notes this afternoon amending the 1966 air transport agreement between the two countries. Under the terms of the amended agreemen direct air service will be inaugurated on April 29 of this year. Soviet airline Aeroflot and American airline Pan Am are designated carriers.

The agreement permits each airline to make a maximum of four flights per week to the other country. The U.S. Pan Am will serve Moscow and Leningrad and the Soviet Aeroflot will fly to Washington and New York. There had been twice-a-week commercial flights between the two countries until the Reagan administration suspended Soviet Aeroflot landing rights in the United States in late 1979 when Soviet troops invaded Afghanistan. The new amended air transport agreement doubles the air traffic between the two countries.

BEIJING REVIEW VIEWS SOVIET POLICY ON CAMBODIA

OW131151 Beijing BEIJING REVIEW in English 13 Feb 86 p 10

[Article by Tang Tianri: "Kampuchea: All Talk, No Action"]

[Text] Although the official Soviet press and propaganda machines have been trumpeting new slogans about Kampuchea and other regional issues, its policies remain the same. PRAVDA, the official Soviet Communist Party newspaper, said in a recent article that the political solutions to regional problems required a new approach, and that the Soviet Union was willing to coordinate its actions with other countries in this matter. Soon afterwards Soviet Vice-Foreign Minister Mikhail S. Kapitsa told reporters at a press conference in Moscow that if a political solution was found to the Kampuchean problem the Vietnamese troops possibly would withdraw from Kampuchea in 1987.

But does this rhetoric really represent a new Soviet policy on the Kampuchean issue? In his statement, Kapitsa asked Democratic Kampuchean President Samdech Norodom Sihanouk and Democratic Kampuchean Coalition Prime Minister Son Sann to negotiate with the Phnom Penh regime with Vietnamese troops still in Kampuchea on condition that they must first cut all ties with the Democratic Kampuchean National Army. This is clearly a ploy to disrupt the unity of the three resistance forces of Democratic Kampuchea and dissolve the country's Coalition Government.

Kapitsa's remarks to the Democratic Kampuchean National Army were quite hostile. He described them as "bandits," and did not recognize the National Army as a political force. He said that if the Democratic Kampuchean National Army was willing to "take the road of a political settlement," some of its leaders could contact Phnom Penh authorities.

He maintained, however, that those leaders "could not be regarded as representatives of a political force." What Kapitsa proposed, in fact, is a political conspiracy that attempts to weaken, break up and eventually wipe out the most powerful one in the three Kampuchean patriotic resistance forces.

Kapitsa took it for granted that the elimination of the three anti-Vietnamese factions in Kampuchea would lead to an agreement ending the undeclared war in Kampuchea, and to a "national election with international supervision." However, the so-called election would not be a real one, which the Kampuchean people deserve, and would not be without foreign interference. The election, if it were to take place, undoubtedly would be under Soviet control and serve only to legitimize the Heng Samrin puppet regime.

In the Kremlin's view, the realization of these plans will allow the establishment of a "peace zone" in the form of an "Indochinese federation," which is backed by the Kremlin and controlled by Hanoi. Kapitsa called for an "international conference" and assurances for a peace zone. This means Moscow wants the international community to recognize Vietnam's occupation of Kampuchea and Soviet hegemony in Indochina.

The Soviet Union actually wanted to support Vietnam to solve the Kampuchean problem through military means while advocating its so-called "political settlement blueprint." Kapitsa said if there were no way to reach a political settlement, "the de facto undeclared war would be continued." He imagined that with the Soviet Union's support, the Vietnamese and Heng Samrin troops could become more militant and stronger within a few years' time, and the Kampuchean resistance forces would be wiped out. Then, the Kampuchean problem "would be eliminated automatically."

To help realize this, last year the Soviet Union doubled its annual economic and military aid to Vietnam from US$2 billion to US$4 billion. A large number of Soviet-made tanks, artillery pieces, mines, rockets and airplanes continue to arrive in Kampuchea to help Vietnam with its offensive drive, which is aimed at eliminating the Kampuchean resistance forces in two to three years.

Peace and development are the trends of the 1980s, and the world desires to solve international disputes in accordance with the Five Principles of Peaceful Coexistence.

Moscow's attempt to rely on its economic and military superiority and use its power politics to conquer a weak country directly or indirectly should not be allowed. But in their endeavours, the Soviets have not only met with strong resistance by the weak nation, but have also come under severe condemnation from the world community, leaving them in an even more isolated position.

In its six years of occupation of Afghanistan and seven-year support for Vietnam's aggression in Kampuchea, the Soviet Union has tasted some fairly bitter fruit. Events will prove that the scheme to wipe out the Democratic Kampuchean resistance forces and make the Kampuchean problem vanish in two or three years, is merely a daydream.

MOSCOW NOT READY TO DISCUSS ISLANDS WITH JAPAN

OW131450 Beijing XINHUA in English 1435 GMT 13 Feb 86

[Text] Moscow, February 13 (XINHUA) -- A Soviet Foreign Ministry spokesman today denied that Moscow is ready to negotiate its long-standing dispute with Japan over the Kurile Islands, seized by the Soviet Union at the end of World War II but claimed by Japan. Valeriy Sukhin, a deputy chief of the Foreign Ministry's press department, gave the denial at a press conference when he was asked whether last month's visit to Tokyo by Foreign Minister Eduard Shevardnadze had cleared the way for talks on the territorial issue. A joint communique on the visit made a vague reference to the 41-year-long Soviet occupation of Japan's four northern islands. Japan, which has insisted on the return of these islands before signing a peace treaty with Moscow formally ending hostilities between the two countries, interpreted the communique as an indication that the territorial issue would be included in the talks to be reopened on a peace treaty.

At today's press briefing, Sukhin said that during Shevardnadze's visit, "the Japanese side raised the (territorial) issue during the negotiations. The Soviet side was strongly opposed to these unsubstantiated claims made by the Japanese side..." "I want to stress that the Soviet position has not changed.... The communique reaffirmed our readiness to continue negotiations on a peace treaty and not the territorial issue," he said. He also stated that "the existing borders between the two states is a historical fact," and that "the Soviet Union is known to proceed from the principle of non-violation of borders." The talks on a peace treaty have been held up over Japan's insistence on the recovery of the Soviet-held islands and the Soviet position that there is no issue to discuss.

ANNIVERSARY OF LAO SHE'S BIRTH MARKED IN MOSCOW

OW131345 Beijing XINHUA Domestic Service in Chinese 0147 GMT 13 Feb 86

[Beijing XINHUA Domestic Service in Chinese at 1140 GMT on 13 February transmits a "public notice" cancelling this item. The "public notice" reads: "Cancel the report (SS016013) "The Soviet Union Marks the 87th Anniversary of Lao She" transmitted today. XINHUA 13 February"]

[Text] Moscow, 12 Feb (XINHUA) -- The Union of Soviet Societies for Friendship and Cultural Revolutions With Foreign Countries and the Soviet-Chinese Friendship Society cosponsored a report meeting at the Home of Friendship in Moscow to mark the 87th birth anniversary of renowed Chinese writer Lao She.

At the meeting, chaired by Tikhvinskiy, chairman of the Soviet-Chinese Friendship Society, (Shemanov), professor of the Asian and African Institute of Moscow University, made a report on Lao She's life and literary work. He said: Lao She was a writer deeply cherished by the Chinese people. Many of his works that have been translated into Russian are popular among the Soviet people. A great writer, Lao She belongs not only to China, but to the whole world. "Rickshaw Boy," a Chinese movie adapted from Lao She's noted novel bearing the same title, was shown after the report meeting.

Chinese ambassador to the Soviet Union Li Zewang, and others attended the meeting.

SOVIET VICE PREMIER URGES SCIENTIFIC PROGRESS

OW132118 Beijing XINHUA in English 1835 GMT 13 Feb 86

[Text] Moscow, February 13 (XINHUA) -- Soviet Vice-Premier Aleksey Antonov today called upon the member states of the Council of Mutual Economic Assistance (CMEA) to concentrate manpower and material resources on speeding up scientific-technological progress, which he called a key to their economic race with the West.

In an article carried by the Soviet daily SOTSIALISTICHESKAYA INDUSTRIYA, Antonov described the acceleration of scientific-technological progress as an urgent task for the CMEA countries, and condemned Western countries for holding back the world's new scientific and technological achievements through various restrictions and bans. At the same time, Antonov criticized some related Soviet departments for their lack of high demands in putting forward draft agreements on cooperation with other CMEA countries in science and technology, and for the lack of proper demands upon the technical excellence of products being exchanged among the CMEA countries.

He stressed the need to create in the Soviet Union and even within the CMEA an atmosphere incompatible with those draft agreements on scientific-technological cooperation which are obsolete or have poor prospects. He said that a comprehensive program for scientific and technological development to the year 2000 among CMEA countries had been adopted last December to meet their interests. If the Soviet Union carries out its commitments to the program, which contains 93 major items, it would directly promote the economic growth in the country, he added.

S. KOREAN NKDP URGES CONSTITUTIONAL REVISION

OW131156 Beijing XINHUA in English 1133 GMT 13 Feb 86

[Text] Pyongyang, February 13 (XINHUA) -- The main South Korean opposition party and several other democratic groups launched yesterday a campaign to collect ten million signatures to press for changes in the existing Constitution," the KOREA CENTRAL NEWS AGENCY (KCNA) quoted foreign reports as saying. The camapign was initiated by the New Korea Democratic Party (NKDP), the biggest opposition party in South Korea, and some other organizations. Democratic personages Kim Tae-chung, Kim Yong-sam and President of NKDP Yi Min-u were among the first 300 people to sign before the noon time yesterday.

A statement issued prior to the campaign by the NKDP and the council for the promotion of democracy, said that the existing "Constitution" enacted by the Chon Tu-hwan authorities in 1980 was drawn up and promulgated in an undemocratic way and is therefore lacking legitimacy. The campaign is intended to "demonstrate the aspirations of people," the statement added.

It was reported that South Korean authorities have threatened to take action against the signature campaign under the "law of assembly and demonstration." A large number of police were already deployed yesterday at places where signatures were being collected. The signature campaign, now limited to Seoul, will reportedly extend to many other parts of South Korea next week.

CHINESE, JAPANESE RICE PRODUCE QUALITY HYBRIDS

OW130811 Beijing XINHUA in English 0640 GMT 13 Feb 86

[Text] Kunming, February 13 (XINHUA) -- Chinese and Japanese scientists have bred nine new high-yielding rice hybrids from their countries' strains, officials in Southwest China's Yunnan Province said today. They said the new strains produce tasty rice and are resistant to cold weather and disease.

After successful experiments with the new strains in Yunnan Province and on Hainan Island in South China, the scientists plan more tests this year on small tracts in Yunnan, Guizhou and Sichuan Provinces. The strains were selected from more than 400 hybrids developed since 1983 by crossing rice from Japan and Yunnan. With its varied landscape, Yunnan produces a wide range of rice strains, many of them resistant to the cold and bearing large ears and kernels. On the other hand, scientists said, Japanese rice strains grow and taste better than most Yunnan varieties.

GU MU LEAVES FOR 'WORKING VISIT' TO SINGAPORE

OW140738 Beijing XINHUA in English 0728 GMT 14 Feb 86

[Text] Beijing, February 14 (XINHUA) -- Chinese State Councillor Gu Mu left here by air this morning to pay a working visit to Singapore as guest of the Singapore Government.

The State Councillor is expected to discuss matters concerning cooperation between China and Singapore in the fields of tourism and civil aviation and study Singapore's economic construction. Liu Zhongyi, vice-minister of the State Planning Commission, accompanied Gu Mu on the visit.

USSR TRANSPORTS MILITARY VEHICLES TO SRV TROOPS

OW140312 Beijing XINHUA in English 0259 GMT 14 Feb 86

[Text] Beijing, February 14 (XINHUA) -- Soviet cargo vessels transported 180 military vehicles and a large number of weapons to the Vietnamese troops at Kompong Som in Kampuchea on January 31, radio Democratic Kampuchea reported today. Kompong Som, 190 kilometers southwest of Phnom Penh, is the largest port city in Kampuchea.

The radio said the Soviet move showed "the political solution of the Kampuchean problem" as declared by the Soviet Union and Vietnam was a sheer fraud. Their strategy remains to be aggression and expansion in Southeast Asia, it said.

SRV SAID UNLIKELY TO WITHDRAW FROM CAMBODIA

OW131642 Beijing XINHUA in English 1444 GMT 13 Feb 86

[Text] Bangkok, February 13 (XINHUA) -- Thai Deputy Prime Minister and Foreign Minister Sitthi Sawetsila said here today there is no indication that Vietnam will withdraw its troops from Kampuchea in the next few years. He made the remark in a speech on Thailand's foreign policy towards Indochina and ASEAN countries at Ram-Khamhaeng University here this morning. Having occupied Kampuchea for seven years, Vietnam is trying to control and Vietnamize the whole of Kampuchea, he said.

As Vietnam has spent a huge proportion of its resources on warfare, including half of the state budget and 30 percent of its GNP, its economy has been deteriorating, Sitthi said. Vietnam's foreign debts now amount to six billion U.S. dollars, and it has to send 18,000 laborers to work in the Soviet Union to pay off its debts. The Vietnamese still lead a life of poverty and hunger, he added. Sitthi noted that Vietnam had seized many military bases of the Kampuchean resistance forces and attempted to seal off the border and prevent the resistance forces from advancing into the interior, however the resistance forces have managed to break up into smaller units, and penetrated into the interior to fight the Vietnamese, he said. Vietnam has failed likewise in its attempt to block the Thai-Kampuchean border, he added.

U.S., LAOS TO EXCAVATE PLANE CRASH SITE

OW140212 Beijing XINHUA in English 0201 GMT 14 Feb 86

[Text] Washington, February 13 (XINHUA) -- The United States and Laos have agreed to begin on February 17 the joint excavation of the crash site of a U.S. airplane which was lost during the Indochina war, the U.S. State Department announced today. This will be the second of such joint excavation in Laos. The first took place in February 1985.

According to a statement issued by the State Department, the aircraft to be excavated is a U.S. Air Force AC-130 which crashed on March 29, 1972 in Savannakhet Province in southern Laos with fourteen crew members aboard.

"The United States Government appreciates this further step by the Lao Government in our cooperative effort to resolve the issue of Americans who are missing or otherwise unaccounted for in Laos as a result of the war," the statement added. Dialogue on the excavation between the United States and Laos has speeded up recently. U.S. Assistant Secretary of State Paul Wolfowitz, the first U.S. official of his rank to visit Laos since 1978, paid a two-day visit to Vientiane, the Lao capital, last December.

PHILIPPINE OPPOSITION LEADERS ON HABIB'S VISIT

OW131731 Beijing XINHUA in English 1514 GMT 13 Feb 86

[Text] Manila, February 13 (XINHUA) -- A Philippine opposition leader today branded as "intervention" the forthcoming visit of U.S. special envoy Philip Habib to the Philippines. Member of Parliament Aquilino Pimentel, Jr. said Habib, whom President Ronald Reagan has sent here to talk to President Ferdinand Marcos and opposition candidate Corazon Aquino, would likely "persuade" the two presidential contenders to have a "compromise" regarding the poll results. "Whatever pretensions the U.S. has will be shattered by Mr Habib's visit to the country", Pimentel said.

Meanwhile, opposition Member of Parliament Hombono Adaza warned that the U.S. would lose friends here if it continues to ask the opposition to work closely with the ruling party. He said Reagan's statement asking the two groups to work closely was a denial of the existing realities in the Philippines. Reagan has ignored the report of the U.S. observers' team led by Senator Richard Lugar and news reports in the U.S. media about the widespread fraud and violence committed by the ruling party in the February 7 poll, Adaza said.

At a national press conference on February 11 in the U.S., the U.S. President called on both sides of the Philippine presidential candidates to abide by the outcome and work together for reforms. He also declared he would send veteran diplomatic trouble-shooter Philip Habib to the Philippines. Commenting on Reagan's statement, opposition presidential candidate [Aquino] said yesterday that she was alarmed by Reagan's suggestion that there might have been fraud on both sides while Reagan's own observers said they had only seen it on one side. However, she reaffirmed that she would continue to use peaceful means and welcomed the visit of Philip Habib.

Reagan Statement on Bases

HK140349 Beijing International Service in Tagalog 1130 GMT 13 Feb 86

[Text] In Washington, U.S. President Ronald Reagan said at a press conference yesterday that despite reports of widespread fraud and violence during the recent Philippine presidential election, it is heartening to know that the two-party system is alive and a pluralistic democracy exists in that country. He said the American Government will maintain its relations with the Philippines regardless of which administration is chosen by the Filipino people. Reagan added that the USSR is building a larger naval base than the U.S. one in the region. He said this would enable the Russians to block the 16 sea lanes used by the United States and its allies. For this reason, Reagan said, the United States should maintain its bases in the Philippines so it can send its forces when required and keep the sea lanes open.

Marcos, Aquino Speak

OW131737 Beijing XINHUA in English 1617 GMT 13 Feb 86

[Text] Manila, February 13 (XINHUA) -- President Marcos reiterated his call for national unity and reconciliation before a group of local and foreign correspondents at the presidential palace here this evening. He deplored the violent incidents that had taken place, including the brutal slaying of former Governor of Antique Province and opposition leader Evelio Javier who was gunned down in broad daylight on February 11.

He said that even greater tension had risen in the country since the voting came to a close, and more divisions had occurred among the people as compared to the period of the election campaign. He renewed assurances of his administration's commitment to honor "without reservation" the people's verdict in the February 7 presidential and vice-presidential polls.

Opposition presidential candidate Corazon Aquino proposed tonight that President Marcos must first step down from the office of the president to solve the crisis the Philippines is facing. She made the proposal in a written statement read at a press conference held at her headquarters. "By this I do not mean another election but a process which enable the political system to respond to the real will of the people," Mrs. Aquino elaborated. She emphasized that unity and reconciliation can only be served if Marcos clearly and unequivocably separates himself from the presidency. Mrs. [Aquino] assured that she will do her best to ensure the political crisis will be resolved without violence.

NEPAL CUSTOMS SEIZES LARGE AMOUNTS OF DRUGS

OW131250 Beijing XINHUA in English 1227 GMT 13 Feb 86

[Text] Katmandu, February 13 (XINHUA) -- The Nepalese customs and authorities concerned seized 3.5 tons of various drugs and arrested 154 drug traffickers in 1985, according to data issued by the Home Ministry today. The drugs include 3,320 kilograms of marijuana, 175.64 kilograms of hashish (a kind of marijuana), 3.3 kilograms of heroin and 1.68 kilograms of opium. Of all the arrested drug traffickers, 111 are Nepalese nationals.

Drug addicts in Nepal have increased to around 20,000, and most of them are young people including a number of girl students. To fight against drug abuse, the government established a narcotic drug abuse prevention committee last year which consisted of representatives of the Nepal youth organization, the Home Ministry, the Health Ministry and the police. Official data showed that from 1982 to 1984, a total of 7.68 tons of various drugs have been seized and some 1,500 people including foreigners were found to be involved in this connection. According to Nepal's act, drug traffickers are subject to imprisonment of three to 14 years and fines up to 100,000 rupees (about 5,000 U.S. dollars).

BANGLADESH PLANS TO HOLD ELECTIONS IN 1986

OW131703 Beijing XINHUA in English 1457 GMT 13 Feb 86

[Text] Dhaka, February 13 (XINHUA) -- The Bangladesh martial law government announced today that the long-delayed elections would be held in the first half of this year. Chief martial law administrator Hussain Mohammad Ershad made the announcement here this afternoon when addressing a mass rally organized by the Jatiyo (National) Party, known as "the government political front."

Ershad, who is also the Bangladesh president, urged the opposition parties to go to the polls and help the military government return democracy to the nation.

Parliamentary and presidential elections have been scheduled over and over again since March 1982 when Ershad took over power and promulgated martial law in the country, but none materialized because of repeated opposition boycotts. The opposition parties have insisted that they would go to the polls only when martial law is withdrawn and the country is run by a neutral government. They also demanded that parliamentary elections be held before the presidential election.

Speaking at the rally, M.A. Matin, Jatiyo Party secretary general and also government works minister, called for early holding of a neutral, fair and free election in the country.

Unofficial sources said the elections are likely to be held in April. But observers here believe the government and the opposition will have not got themselves ready by then. The elections will not be held until at least next November, they say. Most of the government ministers, state and deputy ministers attended today's rally organized by the party to which they mostly belong. The party announced its establishment on January 1, 1986.

FRANCE EXPELS 13 FOREIGNERS FOR DISRUPTING ORDER

OW141024 Beijing XINHUA in English 0857 GMT 14 Feb 86

[Text] Paris, February 13 (XINHUA) -- Interior Minister Pierre Joxe signed orders today for the expulsion of 13 of the 64 people arrested yesterday morning by counter-espionage agents investigating the recent series of bombings in Paris, French news agency AFP reported today. According to AFP's source, of the 13 to be expulsed for "disrupting the public order," four are Iraqis, four Iranians, three Lebanese, one Algerian and one is Kenyan. They will be sent to their country of origin or their country of choice.

One of the Lebanese was sentenced to two months jail before his expulsion, by a Paris court today, on charges of breaking French immigration laws.

Counter-espionage police detained 64 people in a nationwide sweep yesterday in the wake of last week's bombings on a bookstore, sports shop and a shopping arcade, which injured 20 people. All but the thirteen have been released. Officials said that no link had been found between the thirteen to be expulsed and the bombings.

WESTLAND DEAL CAUSES 'POLITICAL CRISIS' IN UK

OW131124 Beijing XINHUA in English 1059 GMT 13 Feb 86

[Text] London, February 12 (XINHUA) -- The near-bankrupt Westland Company, Britain's only helicopter manufacturer whose future has caused a protracted political crisis for the Conservative government today accepted a financial rescue deal made by the U.S. Sikorsky Company and its Italian partner, Fiat.

At a shareholders' meeting held here today, 67.8 per cent of the votes were cast in favor of accepting the American deal with only 32.2 per cent voting against it. The deal was strongly recommended by the company's board of directors.

Last month, the Sikorsky-Fiat offer failed to gain the necessary 75 per cent backing. This time, the terms were restructured to require only a simple majority to succeed. Sikorsky and Fiat will now hold a 29.9 per cent stake in the company. Under the terms of the new arrangement the ailing Westland firm will receive a cash injection of 80 million pounds (112 million U.S. dollars) and will soon begin manufacturing helicopters designed by Sikorsky under U.S. licence.

Earlier today, a European consortium, which had offered a rival rescue package for Westland, called for an adjournment of the shareholders meeting to allow an inquiry into the identity of six "mystery shareholders" who recently got control of more than 20 per cent of the shares, which helped swing the vote behind the American deal. The move to postpone the meeting was rejected and the European consortium was forced to admit defeat after the vote was taken. However the matter of the "mystery shareholders" has not been resolved and the London Stock Exchange plans to investigate whether there have been any irregularities in the way the shares have changed hands. If irregularities are found, today's vote could be made invalid.

Former Defence Secretary Michael Heseltine, who resigned from the Thatcher government over the issue and has been campaigning for the European offer, said he was "disappointed" at the results of the vote but added that he still believes in the principle of European defence cooperation. Other supporters of the European consortium also argued that the Sikorsky deal, now approved by Westland's shareholders, will leave Britain's sole helicopter manufacturer over-dependent on U.S. technology and may jeopardise future European collaboration in both helicopter production and other defence projects.

The political crisis over Westland surfaced early last month when Heseltine resigned his post in disagreement with Prime Minister Margaret Thatcher and Trade and Industry Secretary Leon Brittan, over the handling of the Westland affair. Brittan also resigned 15 days later after being accused of leaking a confidential cabinet letter, in order to undermine Heseltine's campaign. The dispute within the Cabinet over Westland has since snowballed into the biggest crisis for Mrs. Thatcher since she won power in 1979, raising questions about both her competence and integrity.

Observers here suggested that today's shareholders' decision will probably alleviate the two-and-a-half-month old political crisis over the Westland affair, but will hardly help restore the Conservative government's damaged popularity.

Earlier this week, the British Broadcasting Corporation (BBC), carried out a poll in four parliamentary constituencies held at present by the Conservative party. The survey showed a total of 70 per cent of the voters in the ridings thought that the government had not been honest about the Westland affair. The latest national Gallup opinion poll, due to be published in tomorrow's DAILY TELEGRAPH, shows that Prime Minister Thatcher's personal popularity has slumped to its lowest level since before the Falklands (Malvinas) war. Of those questioned, 67 per cent said they were "dissatisfied" with her performance and only 29 per cent were staisfied that she had acted properly.

The previous lowest level of voter confidence in a prime minister was 25 per cent she polled in 1981 -- the lowest for any post-war British leader. The Gallup Poll now puts the opposition Labor Party in the lead in the popularity stakes with 35.9 per cent of voter support and the Liberal-Social Democratic alliance second with 33.5 per cent, while the ruling Conservative Party rates a poor third at just 29.5 per cent.

ENVOY PRESENTS CREDENTIALS TO BULGARIA'S ZHIVKOV

OW140248 Beijing XINHUA in English 0243 GMT 14 Feb 86

[Text] Sofia, February 13 (XINHUA) -- Bulgarian leader Todor Zhivkov today said his country is "satisfied with Bulgarian-Chinese relations" and high-level political contacts between the two sides should continue.

He made these remarks when receiving Chinese Ambassador to Sofia Teng Shaozhi who presented credentials to the Bulgarian leader. Zhivkov told the Chinese ambassador, who arrived in Sofia on February 5, that in recent years bilateral relations have further developed in economic, cultural and other fields in addition to the exchange of high-level visits by leaders of both countries. The Bulgarian leader expressed the hope that Bulgarian-Chinese ties should continue to develop.

U.S. EXTRADITES WAR CRIMINAL TO YUGOSLAVIA

OW130815 Beijing XINHUA in English 0704 GMT 13 Feb 86

[Text] Belgrade, February 12 (XINHUA) -- War criminal Andrija Artukovic, known as "the Balkan Butcher," was extradited from the United States today and is to stand trial for his involvement in the massacre of more than 700,000 people during the Second World War. According to an official document outlining the case, the Yugoslav Government had sought the extradition of Artukovic, who fled to the United States in May 1945, for 35 years.

Artukovic, 87, faces charges that he presided over the massacre of Serbs, Jews, Gypsies, and other innocent victims Croatia when he acted as minister of the interior in the "Independent State of Croatia," a Nazi puppet state. The United States had refused to extradite Artukovic, described by the Yugoslav Government as "the Balkan Butcher," whose lawyers argued that the charges against him are "politically inspired." However, international pressure and the rising tide of U.S. public opinion "forced the U.S. authorities to re-examine his past and finally extradite him to Yugoslavia," the Yugoslav news agency TANJUG reported.

Artukovic was arrested in November 1984 at his Los Angeles home, and his extradition to Yugoslavia was ordered by a Los Angeles court in March 1985. "After 40 years, Andrija Artukovic has returned to the country where he perpetrated heinous crimes for which he must render account," the news agency said.

Artukovic was directly responsible for the extermination of 700,000 men, women and children, TANJUG said. The extermination, including genocide against children, was predominantly carried out in the Jasenovac concentration camp. According to TANJUG, Artukovic was also responsible for inspiring and organizing mass murders of Croat anti-fascists.

SPORTS EXCHANGE PROTOCOL SIGNED WITH POLAND

OW140300 Beijing XINHUA in English 0249 GMT 14 Feb 86

[Text] Warsaw, February 13 (XINHUA) -- China and Poland signed a sports exchange protocol for 1986 here Thursday. In accordance with the protocol, the two countries will exchange visits of women cagers, sporting acrobats, fencers, footballers, cyclists and gymnasts.

SOCIALIST PARLIAMENTARIANS END WARSAW MEETING

OW140720 Beijing XINHUA in English 0644 GMT 14 Feb 86

[Text] Warsaw, February 13 (XINHUA) -- Heads of parliamentary groups from 11 socialist countries today ended their two-day consultative meeting on preparations for two conferences of the Inter-Parliamentary Union (IPU) scheduled for this year. Participants at the Warsaw preparatory meeting for the 75th and the 76th IPU conferences, scheduled to be held in Mexico in April and in Argentina in October respectively, said that the theme of the Mexico conference "should be contributions by parliaments to the endeavor for halting the arms race and to preventing the militarization of outer space," the Polish news agency PAP reported.

The role of parliaments in eliminating the source of international tensions and in fighting against international terrorism, as well as their contributions to faster economic growth of developing countries will also be discussed during the conference, PAP said. The latest Soviet disarmament proposal announced by Soviet leader Mikhail Gorbachev a month ago, the participants said, should be the "central topic" for discussion at this year's IPU conferences.

They also discussed the Sixth Inter-Parliamentary Conference on Security and Cooperation in Europe, to be held in Bonn in May. Delegations from the ten member states of the Council for Mutual Economic Assistance (Comecon) and the Democratic People's Republic of Korea attended the Warsaw meeting.

JARUZELSKI SAYS MOST POLES SUPPORT GOVERNMENT

OW101354 Beijing XINHUA in English 1258 GMT 10 Feb 86

[Text] Warsaw, February 9 (XINHUA) -- An overwhelming majority of Poles hold identical views on world peace, structural principles of socialism, internal stability, territorial integrity and state security and the union, according to Polish leader Wojciech Jaruzelski. In an interview with Italian reporters, a transcript of which was published by the official news agency PAP here today, Jaruzelski said that "not all the people are satisfied with the policies of the state," and that confrontations, contradictions and disputes exist on all the major and minor issues. But, he added things are not as bad as is sometimes portrayed.

Jaruzelski also said that his government is holding dialogues at all levels with the Catholic Church and that the joint committee of the government and the church is continuing its work. "But that does not mean there are no conflicts. For instance, some clergymen go counter to their mission by getting involved in political activities. This even made it possible for some non-Catholics to take the church as a political forum," he said.

Jaruzelski also down played the influence of the Solidarity trade union. He said that the early 1980s will be remembered not for the union's role but a period of socialist reform in accordance with the will of the working class and working people." He accused Solidarity trade union leaders and "extra groups" of attempting to overthrow the constitutional order of the country at a time when tens of millions of working people were attempting reforms.

READJUSTMENT OF INVESTMENT STRUCTURE STRESSED

OW130649 Beijing XINHUA Domestic Service in Chinese 0237 GMT 13 Feb 86

[XINHUA Commentator's article: "It is Necessary Not Only To Control the Scope of Capital Construction But Also To Readjust the Structure of Investment]

[Text] Beijing, 13 Feb (XINHUA) -- Controlling the scope of capital construction and readjusting the structure of investment so as to pool our financial and material resources to strengthen the construction of energy resources, communications, raw and other material industries, and other key projects is of crucial significance to guaranteeing the steady development of our country's national economy this year. It is also an important task confronting us.

The situation in some localities shows that the policy of controlling the scope of capital construction, as repeatedly emphasized by the central authorities, has not yet been implemented well. According to the initial statistics from departments concerned, investments in capital construction in 1985 increased by 75 percent over 1983, a margin greatly surpassing the 28 percent increase in national income over those 2 years. On one hand, the scope of construction as a whole is now rapidly expanding; on the other hand, irrational phenomena in the investment structure have appeared: Productive construction projects have slowed: nonproductive projects have increased drastically; the proportion of energy resources, communications, raw and other material industries, and other key projects had dropped; the proportion of the construction of processing industry has risen. Historical experience tells us that if such a situation remains unchanged, it will inevitably damage the healthy development of the national economy.

Why is the scope of capital construction still too large? Why is the structure of investment irrational? The main reason is that quite a few department and enterprises have failed to seriously implement the central authorities' directive on control over the scope of investments in fixed assets. Along with reforms in the economic structure, nonstate budgetary funds owned by all departments and enterprises in our country have increased by big margins year after year. In 1980, these funds amounted, on the whole, to the equivalent of two-thirds of the state's revenues. By 1985, these funds increased on the whole to the equivalent of four-fifths of the state's revenues. With money in their pockets, many local departments have emphasized the construction of industrial processing projects which can be completed in a short period and can produce good profits. Or they are fond of building office buildings, halls, hostels, and guesthouses which are not urgently needed. They lack enthusiasm for energy resources, communications, raw and other material industries, and other projects which cannot be completed in a short period and which cannot make money soon.

Generally speaking, many localities had hoped that expanding the scale of capital construction would accelerate local economic development. However, if their hopes excess the limit imposed by objective conditions, capital construction would instead have negative results. Over the years, we have seen many projects, including even key construction projects, postponed repeatedly and becoming obsolete. Most of these failures were caused by overextended capital construction ambitions. This fact should merit our serious attention.

Obviously, an urgent task at the moment is downgrading nonproductive projects and nonessential processing projects, stepping up the construction of energy, communications, transportation, and raw and processed materials projects, and striving to eliminate backwardness in these industries. We are experiencing acute shortages in energy, transportation, and raw and processed materials. The only way to resolve this problem is to sharply curtail all general-purpose construction projects and shift the money and materials thus saved to more energy, transportation, and raw and processed materials projects.

Only when there is sufficient energy, transportation means, and raw and processed materials can our country lay a firm foundation for and gain relatively rapid development in its processing industry and the entire national economy as a whole.

In restricting capital construction and readjusting the investment structure, there are bound to be contradictions between local interests and those of the whole and between immediate and long-range benefits. The only way to solve this problem is by subordinating local interests to those of the whole and immediate benefits to long-range benefits, thus curtailing nonproduction projects, stepping up the construction of production projects, limiting general-purpose projects, and stepping up the construction of key projects, including energy, communications, and raw and processed materials. This requires us to seriously examine all projects under construction, keep those worthy of retention, and resolutely do away with those that must be eliminated. Why can we not resolutely stop those projects lacking sufficient conditions for construction or those projects that will not bring good economic results even when completed? We must postpone the construction of projects which, though needed, are beyond our ability, so that sufficient financial and materials resources can be made available for key projects vital to the entire national economy, thereby accelerating the pace of construction and achieving better economic results with our investments.

CREATIVE FREEDOM SEEN AS HISTORICAL 'MISSION'

HK120707 Beijing GUANGMING RIBAO in Chinese 23 Jan 86 p 3

[Article by Guan Shanyue: "Freedom of Creation as I Understand It -- Speech Made at Forum held by the GUANGMING RIBAO Literature and Art Department"]

[Text] Pushed forward by the current policies of opening up and reform, the windows are opened, fresh air is coming in, and it is inevitable for the weak to catch cold. But should we close the window lest somebody catch cold? That is a negative measure. The positive measure is to strengthen our immunity.

Grasping the two civilizations simultaneously, we should by no means neglect building spiritual civilization. Neither should we put aside building spiritual civilization while grasping economic construction. What was fatal in the past was our onesidedness. From now on we should never repeat our past onesidedness. Sometimes it is easy for us to waver, to take a tortuous path, and sometimes, going from one extreme to another, to take the road back. Now that we are opening up, if we shut the door again that would be taking the road back.

To my knowledge, there has never been absolute creative freedom. Was there any freedom during the KMT reign? That would endanger one's life! Is there freedom in the capitalist society? No. It seems that painters there are quite free. But they have to make a living. They have to see what the capitalists like, and curry their favor. The paintings must bring in profits and be favorable to the capitalists. Are those painters free? They have to forget about their consciences, they have to paint things for which they have no liking. Therefore, freedom is relative. Creation was not free during the reign of the "gang of four." Rocks were not to be portrayed while drawing scenery, and painters were asked to draw socialist trees. But heaven knows what socialist trees are. Those with straight trunks were called socialist trees, and those painted with too much ink were called malicious paintings. Besides, painters were ordered to give expression to focal tasks and artists to give performances centering around the focal tasks. Too many rules and regulations interfering with the law governing it would really bring restrictions to creativity. However, today we are implementing the freedom of creativity under the premise of "serving the people," and "serving socialism." We have obtained our creative freedom under the restrictions of the "four cardinal principles."

It is imperative for us to fight against bourgeois liberalization, the freedom of creating those things injurious to our national dignity, and poisoning the people's souls. Such things are: violation of social benefits, deviating from the policy target of reform; countering the requirements of the party; and going against the will of the people. We should never forget that we are revolutionary literature and art workers serving the people and socialism. We should fully understand the dignified title of the architects of the soul. This is the glorious responsibility assigned us by the party and the people. We should not shrink from this sacred responsibility. If we strike a blow for creativity while shouldering this sacred responsibility, can it be said that there is no freedom in such creation? This identifies with our purpose in life. I think that this is the greatest freedom, like a bird flying in the vast expanse!

There is an argument that the farther removed from politics, the better are creative literature and art. In my personal opinion, the slogan "literature and art should serve politics" is no longer proposed, but this does not mean that literature and art are entirely divorced from politics. I agree that literature and art should not become an appendix to politics; that they should have their own independence; but they should not be divorced from politics. In the past, serving politics was rigidly absolute in the affirmative, but now serving politics is made absolute in the negative, in the expression, the further removed from politics the better. This is going from one extreme to another, and obviously wrong. Chinese painting has a long history, and a profound and unique traditional theory and technique. It is rich in national style and atmosphere loved by the people. Since the 3d Plenary Session of the 11th CPC Central Committee, we have welcomed our country's best time. We should not fail our times. We must accept the mission which history has assigned to our times and fulfill the people's trust in transforming the ancient national painting into new and modern Chinese painting. This makes new contributions to the culture and art of our socialist motherland, as well as to the world's treasure house of art, so that our art may shine brightly in the world, as do our athletes at present.

RURAL PARTY RECTIFICATION METHODS DETAILED

HK120107 Beijing BAN YUE TAN in Chinese No 1, 10 Jan 86 pp 20-22

[Article by BAN YUE TAN political editorial office: "Questions and Answers on Party Rectification in the Rural Area (Part I)"]

[Text] Question: Where does the importance of party rectification in rural areas lie?

Answer : Party rectification in rural areas has been an important stage of the all-round party rectification since 1983. It is also the stage which is the broadest in scale and deals with the widest range of matters. Its importance is reflected in the following:

1. There are more than 25 million party members in rural areas, accounting for more than 50 percent of the total number of party members throughout the country. The number of grass-roots party organizations in rural areas also accounts for nearly 50 percent of the total number of grass-roots organizations in the whole party. To do well in rural party rectification is a matter of primary importance affecting the situation as a whole.

2. Rural party organizations and party members serve as a link and bridge between the party and the masses. The words and deeds of party members will directly affect the implementation of party policy in rural areas. Their state of mind will also have a great influence over the socialist modernization program in rural areas.

3. Only by doing well in carrying out rural party rectification, correcting party work style, and improving the general mood of the society can we say that we have done what is basically important with regard to the building of socialist spiritual civilization in the rural area, and that we have followed a correct orientation in the building of material civilization.

4. The second stage of rural reform is progressing in depth. Doing well in rural party rectification will enable rural party members to deepen their understanding of the reform and rural party organizations to strengthen their leadership over rural reform to ensure its smooth progress.

Question: What positive role have rural party organizations and party members played in the rural reform?

Answer: After the 3d Plenary Session of the 11th CPC Central Committee, rural areas were the first to enact economic reforms. Great success has been achieved in rural economic reforms. This cannot be separated from efforts exerted by grass-roots party organizations and party members in rural areas to conscientiously implement the party's line, guiding principle and policy, and actively carrying out their work among the masses. A great many party members feared neither dangers, rumors, or slanders. They were bold in experimenting and exploring specific forms of the production responsibility system. When the masses still cast doubt on the implementation of the contract system according to output, rural party members took the lead in implementing the party policy, undertaking contract projects, and developing commodity economy. When the masses did not know how to get rich although they wanted to be rich, many party members helped them review experience in getting rich, and guided them on the path of common prosperity. It is appropriate to say that rural party organizations and party members have withstood new trials and tribulations. Most of them are good, or comparatively good. This is the main aspect of things which should be affirmed.

Question: At present, what problems exist in rural party organizations and among party members?

Answer: The main problem is that their ideas and work do not conform with the general tasks of the new period. Ideologically, some party members cast doubt upon the superiority of the socialist system. They lack confidence in the bright future of communism and lack a profound understanding of the party's new economic policy for rural areas.

As far as their work style is concerned, some party members have forgotten the purpose of serving the people wholeheartedly. What is uppermost in their minds is how to build up family fortunes. They have failed to lead the masses on a path to common prosperity. They have failed to correctly handle relations between the state, the collective, and individuals.

Institutionally, their sense of organization is blunted, and their discipline is lax. They do not participate in the activities of the organization and have failed to be in the vanguard for party members. The inner-party life of some grass-roots party organizations is extremely abnormal. Some of these organizations are even in a state of paralysis or semi-paralysis.

A few party members, a few party-member cadres in particular, have followed the bad work style of breaking away from the masses. They pursue a certain extreme individualism, seek private gain at public expense, abuse their power for individual interests, resort to coercion and abuse their authority, and so on. A small number of party members cannot withstand the attack of decadent capitalist ideology and have lost their bearings. Some of them put profit-making first, regard money as everything, violate law and discipline, or even degenerate so far as to commit crimes.

Question: What is the main purpose of party rectification in the rural areas?

Answer: The main purpose of party rectification in rural areas is to enable rural party organizations and the broad masses of party members to further understand the party's general task under the new situation, promote profound development of the rural reform, lead the masses to do well in developing socialist commodity economy, and consolidate and develop the favorable rural situation.

Rural party rectification means that under the guidance of Marxism-Leninism-Mao Zedong Thought, we should expose and solve impurities in ideology, work style, and organization and effect a fundamental turn for the better in party work style so that party organizations in the rural area will be purer, healthier, more vivid, and energetic. Through party rectification, we will help all party members in rural areas further raise their ideological consciousness, and arouse their enthusiasm so that grass-roots party organizations will become a powerfull fighting force. In so doing, we will unite with the broad masses of peasants, work together with them with one heart, and effectively carry out socialist modernization in rural areas.

Question: What the four principal problems which should be solved in the rural party rectification?

Answer: The rural area of our country covers a vast territory, and the conditions of different regions vary widely. On the basis of doing well in conducting investigations and studies, we should grasp the main problems and concentrate our efforts on solving them. During the party rectification this time, we should grasp the following four problems to consolidate our party organizations, and strengthen their building in light of the general conditions in our rural areas:

1. We should try to help our party members enhance their understanding of the basic purpose of the party. Through education, we will enable the broad masses of party members to clarify ideologically that during the new period serving the people wholeheartedly means specifically that they should actively guide the peasants to affluence through hard work, observe discipline and law, make joint efforts to promote the building of the two civilizations, and strive to make our country powerful and our people rich. We should once and for all help them raise their ideological consciousness and strengthen their party spirit.

2. We should further understand various policies of the party for rural reform and economic development, enhance our consciousness of implementing the policy, promote rural reform, and develop the favorable situation in rural areas.

3. We should conscientiously handle the cases of the few party members who have made serious mistakes in order to maintain the purity of the party ideologically and organizationally.

4. We should truly grasp the building of leading bodies. In the meantime, we should improve regular activities of all party organizations, perfect the democratic centralism of the party, strengthen its ideological and political work, recruit new party members, and expand and consolidate the party's ranks.

Question: How should we treat party rectification?

Answer: All party members should actively take part in party rectification. In particular, party-member cadres should take the lead in this regard. The correct attitude for party members to take toward party rectification is: 1) From beginning to end, they should take part in the activities of party rectification, and conscientiously study documents.

2) They should seriously examine their ideas and work, listen to their comrades' criticism with an open mind, and consciously correct their defects and mistakes. 3) Starting from the desire for unity, they should enthusiastically help other people correct their defects and mistakes. They should also dare to fight against unhealthy trends. 4) They should put forward their opinions and suggestions to party organizations on their own initiative in order to do well in consolidating party building.

RENMIN RIBAO STRESSES DEVELOPMENT OF TOURISM

HK110624 Beijing RENMIN RIBAO in Chinese 5 Feb 86 p 1

[Editorial: "Tourism Is an Important Component of the National Economy"]

[Text] The State Council recently approved in principle the targets for the development of our country's tourism: By 1990, 5 million foreign tourists will be received a year and $3 billion earned; by 2000, 10 million tourists will be received a year and $10 billion earned. Attainment of these targets will lend great impetus to the development of our country's national economy. The tremendous development of our country's tourism needs the unified thinking of the departments concerned. A full understanding of the important position of the national economy is a prerequisite to concertedly supporting the development of tourism.

In the past, as a result of our country's long closing to the outside world, we knew little about the development of tourism in the world and took no heed of the economic and political significance of tourism. Many comrades held that tourism dealt with feasting and entertainment, and it would be better to build factories with the money earmarked for developing tourism, classifying the investment in tourism as nonproductive investment. It was not until the 3d Plenary Session of the 11th CPC Central Committee that close attention was paid to developing tourism, a series of tourist facilities were put up and a number of scenic spots opened to tourists, and some results scored in developing tourism. Generally speaking, however, our country's tourist industry is still very backward. Our incapacity for receiving tourists and poor service for tourists are extremely incompatible with our country's rich tourist resources. The tourist industry urgently needs to be developed. Tourism is an important component of the national economy. It is incomparably superior in many aspects to other sectors of the national economy.

-- Enjoying a quick turnover of investment and yielding high economic profits, tourism is a quick way to accumulate funds. Tourism is becoming one of the world's most important trades.

-- Earning foreign exchange at low costs and with low risk, tourism is an important source for earning foreign exchange without having to do foreign trade. Efforts should be made to earn foreign exchange in order to guarantee the four modernizations, to implement the opening up policy, and to support the work of using foreign capital and importing advanced technologies and equipment. To earn foreign exchange, it is certainly necessary, first of all, to do a good job of export trade. However, it is not so easy to earn foreign exchange through exports. Comparatively speaking, tourism can earn foreign exchange more easily and more quickly.

-- Tourism may push the development of other trades. The development of tourism requires the all-round capability of accommodating tourists in terms of food, hotels, transport, sightseeing, shopping, and merry-making. As a whole, tourism also needs investment.

However, the development of tourism will promote the prosperity of many other trades, such as civil aviation, railroads, highways, and water transport, posts and telecommunications, building construction, urban facilities, commerce, light and textile industries, handicrafts, and processing of farm and sideline products. This will doubtless lead to the all-round development of the national economy.

-- Tourism is a labor-intensive trade and requires a great number of personnel. According to the current situation of the development of international tourism, when a tourist department employs one additional person directly serving the tourists, there will be an increase of five people in society indirectly engaged in tourism. With the economic development of our country, labor productivity will be greatly increased and a great number of labor service personnel will turn to the tertiary industry. Tourism and other related trades will serve precisely as a "storage tank" for accommodating this labor force.

Judged from the political viewpoint, the development of tourism is also a bridge for promoting friendly exchanges between the Chinese people and the people of other countries. Through the "window" of tourism, people of other countries may understand China better, and the splendid Chinese culture may spread to foreign countries. It should be clearly understood that supporting tourism means supporting the development of the "two civilizations" and the accomplishment of the "four modernizations."

In view of the importance of tourism, the state has officially included the development of tourism in the Seventh 5-Year Plan. In drawing up the national economic plan in the past, the departments concerned did not regard tourism as a comprehensive project of systems engineering. They did not work out a plan for developing tourism as a trade. They did not pay attention to building fundamental urban facilities related to tourism and exploiting tourist resources. This hindered the development of tourism. In many key tourist cities at present, a shortage of water and power supply is felt, the means of transport are in great demand and, in particular, civil aviation transport capacity is insufficient, and planes are seriously overloaded. With tourism officially included in the national economic development plan, the state will give tourism essential support in the form of funds and policy. However, the state at present does not have ample funds and cannot spare much money for developing tourism. How to make good use of the limited investment is an important problem needing solution.

At present, various localities are vigorously developing tourism. This is a good thing. However, they must not ask the state for funds which they do not urgently need. Various localities and departments must bring their economic development plans in line with the development of tourism. Only when they work together concertedly can they implement their plans of developing tourism. At the same time, they must actively train management and service personnel for the tourist trade and improve their political and professional qualities. In conducting modern tourism, it will not suffice to stress only material conditions. Without competent managers, qualified personnel, and first-rate service, a tremendous development in tourism is not possible. In short, in developing tourism, it is imperative to adhere to the policy that the state, localities, departments, collectives, and individuals forge ahead together, emphasizing positive factors in various quarters.

With a long history, our country has many historic sites and scenic spots, studded with famous mountains and crossed by great rivers. It has unique natural landscapes and historic and cultural spots. Its tourist resources are the best in the world. Our country's firm open policy is another important guarantee for developing tourism. As long as we unify our thinking, advance in step, and concertedly support tourism, our country will become one of the countries with developed tourism by the end of this century.

PROSPECTS FOR ECONOMIC REFORM REVIEWED

HK100747 Beijing JINGJI RIBAO in Chinese 25 Jan 86 p 3

[Article by Xue Muqiao: "Retrospect and Prospects of the Reform of the Economic Structure in Our Country" -- originally published in January 1986 in issue No 1 of ZHONGGUO JINGJI TIZHI GAIGE [CHINA'S ECONOMIC STRUCTURAL REFORM] and reprinted here with some revisions by the author]

[Text] It has already been 7 years since the reform of our economic structure began at the 3d Plenary Session of the 11th CPC Central Committee. It has scored obvious achievements.

Our reform was first carried out in our rural areas where the economic structure is relatively simple. In order to give full play to peasants' initiative and fully tap rural production potential, we have bravely broken the old pattern of the "three levels of ownership with production teams as the basis" in our people's communes; basically implemented the contract production responsibility system geared to families; encouraged the specialized households that carry out diverse undertaking; developed town and township enterprises in diverse lines of trade; broken the monopoly of supply and marketing cooperatives in commerce; switched to diverse sectors, including public, collective, and individual sectors operating in the commercial sphere in order to meet the demand of the development of commodity production; and expanded commodity exchange in our market. We can say that our country's rural economic structural reform has already made a radical breakthrough and is continuing to vigorously develop and become more commercial, specialized, and scientific. Our tasks in the future are to do a good job of drawing up all-round economic development plans in light of local conditions, continue to consolidate the leadership position of the local and rural public-owned sector in the rural economy, and adopt methods of indirect regulation to continue to strengthen the state's planned management over the rural economy.

Owing to the complicated situation, our urban economic structural reform began relatively slowly. The focus of the reform is to expand the decision-making power of our state-owned enterprises, put an end to the practice of enterprises "eating out of the same big pot" of the state and of staff and workers "eating out of the same big pot" of their enterprises, and turn our enterprises into relatively independent commodity producers and operators that are managed independently and that shoulder sole responsibility for their profits and losses. This reform involves reforms in our planning, financial, banking, commercial, material circulation, price management, and wage systems, and therefore encounters relatively great difficulties. We have already done a large amount of work in reform in the above-mentioned fields, but all these reforms are still at a transitional stage and have not been basically completed. We have also failed to satisfactorily coordinate these reforms. Therefore, except for a very small number of enterprises in which reform experiments have been carried out and which are satisfactorily administered and managed, no radical breakthrough has yet been made. We have already somewhat relaxed our control over and invigorated our urban and rural collective enterprises, and the pace of development in these enterprises has exceeded by far that in our thousands of large and medium-sized state-owned enterprises. The latter are the backbone of our national economy.

If we continue to fail to entirely overcome the stagnation in their development, they will not only develop relatively slowly; it is also possible that their leadership position and backbone role in our national economy will be weakened. That is why the 3d Plenary Session of the 12th CPC Central Committee decided to switch the focus of our economic work from readjustment to reforms, switch the focus of reform from rural to urban areas, and regard as the focus of the reform the transformation of thousands of state-owned enterprises into economic entities full of vitality and vigor which can be managed independently.

Since the 3d Plenary Session of the 12th CPC Central Committee, the pace of our urban economic structural reform has been quickened and a lively new situation has begun to emerge. The growth rate of our industrial production last year was among the best in the world, as was also rare in our country's history, except in the restoration period in the first 3 years after the founding of the People's Republic and in the 3 years of the "Great Leap Forward" in the late 1950's. (That "Great Leap Forward" has caused great retrogression in our industrial and agricultural production.) In spite of a relatively big rise in prices of goods, living standards have still improved substantially. The excessively quick development of our industrial production was caused by the runaway scale of our capital construction (which was caused by runaway bank credit) and by runaway wage funds which began in the fourth quarter of 1984. It has given rise to an unprecedented prosperity in our national economy. It may also be caused by an eased shortage of the supply of production means and the sufficient supply of consumer goods, a situation developed through years of readjustment (and which is an important condition for us in having a free hand in our structural reform), and thus creating difficulties for future structural reform. Therefore, since the first quarter of 1985, the State Council has called several meetings of provincial governors to resolutely overcome the runaway phenomena. By the third quarter of 1985, this began to achieve results. In light of the experience that we gained in 1981 in slamming the brakes on, last year we adopted the method of applying the brakes slowly and strove to keep the year's credit supply within the planned target. In the coming 2 years, we should do our best to prevent our capital construction from exceeding the scale of 1985 in order to prevent the emergence of another dislocation in the basically harmonized proportional relationship in our national economy and in order to avoid being forced to carry our further readjustment.

Looking back, we see that since the 3d Plenary Session of the 11th CPC Central Committee, we have always called for the reduction of our capital construction scale. In 1979, as work was already started in the construction projects, we failed to fulfill the set plan for investment reduction. In 1980, the planned investment was reduced, but as the financial and banking management systems were reformed, the extrabudgetary investment made by spending funds at enterprises' disposal and borrowing from banks greatly increased and exceeded the state's set plan. In the first quarter of 1981, we slammed on the brakes, and the growth rate of our industrial production dropped suddenly; there was a negative growth rate for our heavy industrial production. Although we began to gradually relax our control over bank credit in the second quarter, capital construction investment that year did not exceed the state plan and the growth rate of our industrial production only slightly exceeded the state planned target (4.5 percent), the lowest in the past 7 years. In slamming the brakes on that year, we paid dearly by having a slow industrial growth rate and a drop in our heavy industrial prodction. However, in exchange, we got a rough balance in the supply and demand of the means of production and a buyers' market for many kinds of consumer goods. This provided fine conditions for the construction and economic structural reform later. From 1982 to the third quarter of 1984, our capital construction scale again exceeded the planned target and both wages and bonuses rose relatively quickly, but as the growth rate of industrial and agricultural production greatly exceeded the state's planned targets, there was no great shortage of the supply of the means of production and a sufficient supply of commodities on our market. There was a surplus of grain, cotton cloth, and other consumer goods that are most indispensable to people's lives, and we had to market these goods abroad. Therefore, the 3d Plenary Session of the 12th CPC Central Committee pointed out that at that time we have the most favorable chance to speed the economic structural reform, and decided to speed the urban economic structural reform. This was a timely and entirely correct decision.

In the fourth quarter of 1984, we started to reform our bank credit and enterprise wage systems, expand locality and enterprise decision-making power over using bank credit to conduct construction, and expand our enterprises' decision-making power in wage reform.

As we lacked experience while enlivening our microeconomy, we failed to correspondingly strengthen our macroeconomic control. As a result, runaway bank credit and wage funds emerged. In the fourth quarter, bank credit rose sharply, by 164 percent, over the same period of 1983. The total wages for the fourth quarter of 1984 rose by over 30 percent over the same period in 1984, and the total bonuses rose by over 100 percent, exceeding by far the growth rate of industrial and agricultural production. The volume of currency issued rose sharply (this was partly due to the sharp increase in the purchases of agricultural products because of bumper harvests), and our foreign exchange reserve dropped. The CPC Central Committee and the State Council promptly discovered this problem and held several provincial governors' meetings to correct the "overheated" tendency in production and construction. Of course, it took time to reduce construction projects and it was difficult to reduce the wages that had already risen. Moreover, owing to the reform in our wage system, wages could not help but continue to rise last year. As a result, an excessive supply shortage in production means emerged last year and the prices of the portion of rolled steel and other production means sold by negotiation rose sharply. Although there was no shortage of consumer goods, as purchasing power rose too quickly, there were relatively large increases in commodity prices on our markets, and the quality of certain products dropped because they sold too well. In order to solve these problems, in addition to strengthening market control, the fundamental method is to control the excessive expansion of purchasing power (consumption funds). In the coming 2 years, we should regard strengthening our macroeconomic control as the focus of our reform. As we strengthen our macroeconomic control, we will continue to enliven our microeconomy (in particular the management of our thousands of large and medium-sized state-owned enterprises).

Some comrades view new problems with old ideas and think that over the past year we have set overly ambitious reform requirements. They regard the rise in the prices of the means of production as the consequence of the implementation of negotiated purchases and sales policy and uphold the restoration of the system of centralized distribution of production means. Our experience in the past over 30 years has repeatedly told us that the excessive scale of capital production is the fundamental cause for the supply shortage of production means. In the past we relied on financial allocation for our investment in capital construction. Under such circumstances it was relatively easy to centralize the distribution of means of production (but we all know that various defects have still emerged). Now, the investment in the capital construction projects relying on financial allocation within the budget only accounts for one-third of our total capital construction investment. The extrabudgetary capital construction relying on borrowing from banks and on funds in the hands of our enterprise accounts for two-thirds of the total investment. If we restore the previous practice of centralizing the distribution of all the means of production and eliminate the practice of negotiated purchases and sales of production means, then most of the extrabudgetary construction and the production of most local medium-sized and small factories will be paralyzed. This will cause inestimable losses.

Negotiated purchases and sales of coal began the earliest. Over the past 2 years, as the extrabudgetary coal supply increased, negotiated prices dropped. Now rolled steel is in the shortest supply. However, as people have vied with one another to purchase and store rolled steel, rolled steel is most seriously stockpiled at various levels. Centralized distribution cannot increase the supply of steel, but it may cause small local steel plants to reduce their production. Only by establishing rolled steel trade markets widely and unblocking the channels of its circulation can we attract stockpiled rolled steel back into the market, alleviate somewhat the supply situation of rolled steel, stop the continuous rise in negotiated prices, and even cause prices to fall a little. Of course, the fundamental method for reducing the negotiated prices of rolled steel is to reduce the scale of capital construction.

In 1981, we reduced the scale of our capital construction and substantially reduced steel imports in 1981 and 1982. At that time, the stock of steel in our warehouses also dropped substantially. Only under such conditions can the prices of rolled steel stabilize.

Last year the state took the initiative to decontrol food prices and implemented market mechanism regulation in the state commercial sector. This was a brave move in our structural reform. Many foreign specialists have pointed out that the question of whether we are able to readjust our irrational prices is a key to the success or failure of our country's economic structural reform. According to the experience gained by Eastern European countries in their reform, decontrolling food prices is risky business in price reform. As soon as food prices are decontrolled, they will rise by 100-300 percent and thus cause social turbulence. Our country started relatively early in this area. In 1979, it took the initiative to readjust food prices. This has played a certain alleviating role in reducing the rise in food prices when they were decontrolled this time. In both 1979 and 1985, the state paid subsidies to staff members and workers as compensation for the rise in food prices and raised the wages of staff and workers, thus preventing most urban people's living standards from being lowered because of the rise in food prices. The decontrol of prices has resulted in a substantial increase in the supply of food. In the coming few years, the supply will continue to increase, which is the most fundamental guarantee for improving living standards. As the prices of foodstuffs rose and as the sharp increase in purchasing power pushed up the prices of certain articles of daily use, the general price level rose by 9 percent in 1985. The prices even rose greatly in our large and medium-sized cities. This was rare in our country, but it was understandable. Many experienced foreign specialists hold that by smoothly decontrolling the prices of foodstuffs, we have scored a heartening achievement in our country's reform.

In 1985, in addition to price reform, our country carried out a reform in its wage system and thus relatively increased the wages of the staff and workers who were promoted to posts of great responsibility for many years but whose wages had not been correspondingly raised. This enabled our country's wage system to break away from many years of egalitarianism and begin to embark on an orbit of distribution according to labor. Because of runaway wage funds in 1984, we had to avoid an excessive expansion of wage funds in 1985. Therefore, like our price reform, wage reform was only a partial reform and could not be carried out to such an extent as to make our wage system entirely rational. The irrational price and wage systems are two "focuses of infection" in the body of our country's economy. They hinder the healthy development of our national economy. Last year we took heartening steps forward in these two areas and thus opened up ways for deepening future reform. The runaway bank credit and wage funds in 1984 created some obstacles to reform in these two areas in 1985, in particular to reform in our price management system; otherwise we would have been able to make even greater progress. In the coming 2 years, we should strive to improve our macroeconomic control, perfect the reform measures already adopted, enable our national economy to continue steady and harmonious development, and create even better conditions for deepening reform.

Over the past few years, we have not only enlivened our rural economy, but also invigorated our urban collective economy and a fairly large portion of our small state-owned enterprises. However, most of our thousands of large and medium-sized state-owned enterprises, the backbone of our national economy, are still encountering difficulties. Their growth rate has been substantially lower than that of our urban collective economy and even lower than that of our rural collective economy. It is a heartening fact that our urban and rural collective and individual economies are developing very quickly. This is an important reason for the economic prosperity in our urban and rural areas in the past few years.

However, if the development of our state-owned economy lags behind for a long time, it will be detrimental to consolidating its leadership position in our national economy. In order to solve this problem, we should unbind the hands and feet of our state-owned enterprises rather than binding the hands and feet of our collective and individual economies. In terms of funds, machinery, equipment, and technological and management personnel, our state-owned enterprises are far superior to the collective and individual economies. As long as we grant them the necessary decision-making power, they will have sufficient strength to compete with our collective and individual econmies and will be able to develop at roughly the same growth rate as that of the collective and individual economies. This will play an important role not only in harmonizing the development of our entire national economy, but also in consolidating the dominant role of our state-owned economy.

In order to further promote our country's all-round economic structural reform with the focus on urban reform, I think that it is necessary to solve the following problems:

First, we should continue to perfect reform in our planning, financial, banking, material, price, labor, and wage systems; coordinate these reforms; and ensure the smooth implementation of our plan to expand the decision-making power of our large and medium-sized state-owned enterprises. We have already transferred downward the power over planning, but we have failed to coordinate it with reform in our spheres. Since the implementation of the second stage of the substitution of tax payments for profit delivery, as we have not yet completed the readjustment of prices, we still must frequently apply the means of tax readjustment to reduce the irrational phenomena of unequal burdens. Therefore, it is still hard to avoid punishing faster workers. Heavy taxes are imposed on our state-owned enterprises, light taxes are imposed on our collective enterprises, in particular town and township enterprises, and no taxes are generally imposed on most of our individual economic sector. This is a major reason why our thousands of large and medium-sized state-owned enterprises are developing slowly. In regard to material management, we continue to stress administrative distribution and neglect market exchanges. There is still too great a disparity between planned allocation of prices and prices based on negotiated purchases and sales. We have not yet widely established means of production exchange markets to facilitate the circulation of materials and goods. Some investment funds, some foreign exchange, and most allocated materials and goods are still controlled by relevant central departments. When allowing enterprises greater decision-making power, the localities and enterprises do not dare receive the power transferred to them for fear that they will not get their necessary share of investment funds, foreign exchange, and allocated materials and goods. They are willing to continue reliance on the state and eat out of the same big pot. Because of the two runaway phenomena, we have had to slow the reform in our price and wage systems. This in turn hinders our nations economy from improving its administrative and managerial level in accordance with objective economic laws. It is necessary to strengthen our research into the above-mentioned problems and create conditions for gradually solving them.

Second, since we began enlivening our microeconomy, we have failed to correspondingly strengthen our macroeconomic control, thanks to our lack of experience. In the past, we exercised our macroeconomic control mainly through planning and fiscal policies. But since the implementation of the structural reform, we have relied on bank loans and funds in the hands of localities and enterprises (which should also be spent through the banks) for two-thirds of the investment in our fixed assets. Therefore, our banks have become the most important means of macroeconomic control. We have established a central bank in order to control the volume of currency issuance and the supply of bank credit and in order to prevent inflation. As our central bank is not yet perfect, in the fourth quarter of 1984 various specialized banks vied with one another to expand credit supply. This credit was mainly supplied to fund capital construction.

In 1985, we began to tighten credit and thus caused a lack of floating funds and difficulties to many enterprises. Therefore, we should not adopt the method of slamming the brakes on. While strictly controlling the investment in fixed assets, we should continue to ensure the normal operation of our industrial and agricultural production and normal commodity circulation. The central authorities have called on us to continue strict control of the scale of capital construction in the coming 2 years and also to appropriately control the growth of consumption funds in order to avoid the reemergence of a dislocation of the proportional relations of our national economy. This is imperative. We must strive to improve and perfect the means and methods of macroeconomic control.

The 12th National CPC Congress has introduced the magnificent goal of quadrupling our industrial and agricultural production in 20 years and pointed out that during the first 10 years, the growth rate should be a little lower in order to satisfactorily lay a foundation for economic reinvigoration in the latter 10 years. During the first 4 years, the growth rate of our industrial and agricultural production was already at least 8 percent, with an industrial growth rate greater than 10 percent. This was substantially higher than the growth rate (7 percent) required by quadrupling in 20 years. Because of the macroeconomic runaway phenomena, in the first three quarters of 1985 industrial production rose by over 20 percent. The town and township industry in southeastern coastal areas rose by 30-50 percent in 1984 and by an even greater percentage in 1985. This made the eastern areas where economic development was relatively slow feel uneasy and want to compete for a higher growth rate with eastern areas. This "overheated" development cannot last long. We should gradually reduce the "excessively high growth rate" to the normal level.

Third, if we take a deeper view, we should also point out that our economic management cadres (including central, local, and enterprise management cadres) still have inadequate quality and still fail to meet implementation demands of the two basic state policies of opening up to the outside world and enlivening the domestic economy. It is entirely understandable that many localities, departments, and enterprises demand quicker development in their economy. However, on the whole, this will cause the total demand to exceed the total supply. As a result, it is impossible to realize this subjective desire and will moreover give rise to a certain degree of confusion in our economic order. We should carry out widespread propaganda and education about this in the future. In the past, many leading cadres in our large and medium-sized enterprises were used to "eating out of the same big pot" and were unwilling to undergo the risk of blazing new trails. Now they have been replaced by a number of young cadres who have greater courage to explore the way. However, it is still possible for some of the young cadres to act rashly and blindly because of their lack of experience and thus cause losses to the state. As a result, practicing the idea of "enterprises shouldering sole responsibility for their profits and losses" will in fact end up in enterprises shouldering responsibility only for their profits but not for their losses. In addition, since they were granted decision-making power, some cadres have not striven to reform the internal administration and management of their enterprises or open up markets for their products abroad, but have taken advantage of the loopholes in our financial system, made private profits at the expense of public interests, or indiscriminately increased prices to harm consumer interests. Therefore, from a long term point of view, in order to complete the economic structural reform, we must strive to improve the quality of our economic cadres at all levels. Of course, we cannot achieve this within a couple of years. However, we should not stop making progress because of this. While stepping up the selection and training of our cadres, we should allow them to learn to swim in the great oceans. Our leading organs should give them correct guidance in a timely manner.

It is inevitable that an all-round reform in our economic structure will encounter many difficulties, but a small number of comrades doubt the reform measures in the past year and a small number of comrades even think that our reform has been a failure.

Our country's current economic situation has been much discussed abroad, and generally speaking, foreigners are relatively optimistic about our reform. In early September 1985, the Chinese Economic Structural Reform Research Institute, the China Academy of Sciences, and the World Bank cooperated with one another to invite economists and economic specialists from Western countries and Eastern European countries to hold an "international symposium on macroeconomic management" on board the yacht Bashan, along the Three Gorges of the Chang Jiang. Before the symposium, Premier Zhao Ziyang kindly met specialists and scholars from various countries and very frankly briefed them on the achievements scored and difficulties encountered in our country's economic structural reform, thus providing a good beginning for the symposium. During the week of discussions, all the scholars and specialists from various countries spoke highly of our country's reform achievements and unaminously held that it was to certain extent unavoidable for the recently emerging economic difficulties to occur. Almost all countries have encountered such difficulties at home during the periods of their major reform. They pointed out that in the economy of a socialist economy, there is always a tendency of "overheated" development and at all levels of the economy of the country there is an "investment hunger." This tendency is often aggravated by the excessively high growth targets formulated in its plan. As a result, it often pushes up inflation and causes a shortage of materials and goods and an imbalance in economic growth. In handling the current situation, we should see the fundamental cause for the "overheated" development. Some administrative measures are indispensable in the short run, but we should take care not to let them hinder the progress that will enable us to radically solve the problems.

In spite of their different experiences and understanding, the 10 scholars from countries of different social systems, all people of authority in their countries and even in the world, held basically identical opinions on the economic problems that China is faced with at present. This can be regarded as a most noteworthy phenomenon in this discussion. The scholars from Eastern European socialist countries frankly admitted that they had encountered even more serious difficulties than ours in their reform, but difficulties have not wavered their resolution to carry on with reform. Except for the United States, all Western countries encountered serious economic difficulties after World War II. At that time, there was a materials and goods shortage, and they also adopted administrative methods of control such as supplying goods by rationing and paying subsidies. Therefore, they have personally experienced the difficulties that may emerge when such administrative measures are abolished.

The scholars from various countries made many valuable suggestions concerning our country's macroeconomic management, financial policies, wage control, money and credit control, financial market, and so on. These suggestions are worth our reference. This symposium strengthened the confidence in our country's structural reform among attending Chinese scholars; it may very well have strengthened the confidence of scholars from various countries in China's structural reform.

The path is arduous, but the prospects are bright. We will surely be able to achieve a victory of historic significance in the world. This is our conclusion.

LIAOWANG OUTLINES MAJOR ECONOMIC TASKS FOR 1986

HK110433 Beijing LIAOWANG in Chinese No 4, 27 Jan 86 p 5

[Article by Lu Zhongyun: "The principal Tasks of Economic Work for This Year"]

[Text] This reporter has learned the following from the national economic work conference.

According to the arrangement of the CPC Central Committee and State Council and the principle of "consolidation, digestion, supplementation, and improvement," our country's economic goals for this year are: to improve our macroeconomic control, adopt appropriate policies of relaxation in the light of different conditions in different areas, satisfactorily arrange production, and ensure the continuous, sustained, stable, and harmonious development of our national economy. Following are the five major aspects of this work:

1. Persist in carrying out reform and further invigorate our enterprises.

Invigorating our enterprises is a major step in expanding the state's financial resources, increasing its strength, stabilizing the economy, and harmonizing development. Major indicators for the invigoration of enterprises are: satisfactory economic results and large contributions to the state; fine product quality, low consumption, a relatively large contribution by technology; and the production of marketable products that meet demand in the market; an ability to undertake self-transformation and development and to reserve strength; adherence to socialist orientation, a correct work style, good prevailing practices in factories; and a corresponding improvement in the livelihood of staff and workers based on the development of production.

From the point of view of the whole country, only a small number of enterprises have actually been invigorated thus far. We should continue to implement the State Council's "provisional regulations on certain questions concerning invigorating large and medium-sized state-owned enterprises," and further enliven our large and medium-sized enterprises. The State Council has decided that this year we should appropriately reduce the enterprise readjustment tax and increase the rate of depreciation. The increased depreciation funds are to be spent mainly in enterprise technological transformation and should not be used to increase consumption funds. We should firmly put an end to the incorrect practice of indiscriminately apportioning expenses to, imposing charges on, and fining enterprises. In the future, whenever an area or department issues a mandatory planned production target to an enterprise, it should correspondingly provide the major raw materials, energy, and transport facilities needed.

2. Satisfactorily organize production and circulation.

In the future, we should continue to satisfactorily handle relationships between growth rate and economic results, output and quality, production and market, and domestic sales and exports. This should be done around the central task of improving our economic results. There should be a gradual process of alleviation for our country's economy in order to switch from an excessively high growth rate to a normal growth rate. Under the precondition of continuing to maintain our production growth rates and achieving a coordinated increase in tax payments, profits and financial revenue, all areas and departments should organize their production and set their growth rate in the manner of seeking truth from facts, taking into consideration both state plans and actual conditions in their areas and departments.

Over the past few years, our urban and rural purchasing power has risen relatively sharply. There has been a relatively great disparity between the volume of commodities that we are able to supply and our social purchasing power. This year we should adopt diverse measures to solve contradictions between supply and demand. Our industry should vigorously increase production of marketable consumer goods for daily use, do its best to develop more high-grade durable consumer goods of fine quality and well-known brands and pay particular attention to the production of small commodities. Our agriculture should satisfactorily grasp the production of meat, eggs, poultry, vegetables, and other foodstuffs in order to satisfy urban demand.

Our electric power, petroleum, and coal industries should strive to tap their potential, increase their production capacity, and further ease the energy shortage in our country. We should step up our production of iron, steel, nonferrous metals, chemicals, building materials, and other raw materials. In accordance with the principle of "making all-round arrangements, taking into consideration both passenger and cargo transport and satisfying the demand of key projects while not neglecting normal demands," our communications and transport industry should conscientiously develop coordinated transport, container transport, heavy-load train transport, and lighter transport and fulfill its passenger and cargo transport tasks in an all-round manner.

3. Continue to satisfactorily do work related to the technological progress of our enterprises.

In carrying out technological transformation, we should focus on our large and medium-sized enterprises, the backbone enterprises that play an exemplary and leading role in the technological progress of their lines of industry, and the enterprises that undertake export tasks. In the coming 5 years, we should strive to gradually carry out technological transformation in more than 50 percent of our large and medium-sized enterprises. This will be a major step bearing on our reserve strength for economic development in the nineties.

We should complete on time the technological transformation projects that we have already decided to implement and obtain a return on the investment as soon as possible. We should satisfactorily grasp new products, regard them as a leading factor, and promote the substitution of a new generation of products through the development of technology by developing technology in production processes and popularizing the application of new technology. In light of our capacity to handle foreign payments, we should continue to do a good job of importing advanced technology and key equipment, switch our focus to assimilating, developing, and popularizing imported technology and hasten the process of substituting domestic products for exports.

4. Strengthen enterprise management.

We should conduct all-round quality control and strive to make it truly effective. We should strive to reduce our consumption of energy and raw materials, establish modern management in a planned and systematic manner, impose technological, labor, financial, and economic discipline, and do a good job in prodcution safety and labor and environmental protection. We should continue to grasp the work of switching from losses to profits, eliminate losses caused by poor management, and pay attention to applying legal means in managing our economy.

5. Persist in simultaneously grasping the construction of the two civilizations and improve the quality of our contingent of staff and workers.

In order to build a revolutionary modern contingent of staff and workers, we should adhere to the principle of giving priority to ideological work, strengthen our ideological and political work, and earnestly solve actual work and living problems of our staff and workers. We should also do a good job of training staff and workers in the light of actual needs.

Starting this year, we shall spend about 3 years training by rotation members of leading groups in our large and medium-sized enterprises. We should continue to satisfactorily grasp the rotation training of the directors of economic committees of our various provinces, regions, and municipalities and of our major industrial cities.

We should persist to the bitter end in conducting unified examination of our factory directors (managers) and step up the training of the chief engineers, chief economists, chief accountants and party committee secretaries of our large and medium-sized enterprises. At the same time, we should do a good job of providing technological and vocational training for staff and workers with clear aims and gradually restore and perfect the promotion systems for technicians and workers, including unified examination for the latter.

STANDARDS FOR DRAFTING ECONOMIC LAWS OUTLINED

HK120125 Hong Kong LIAOWANG OVERSEAS EDITION No 4, 27 Jan 86 pp 9-10

[Article by Wang Zhengming, responsible person of the General Office of the Economic Law and Regulations Research Center under the State Council and secretary general of China Economic Law Research Society: "China is Drafting an Economic Legislative Program During the Seventh 5-Year Plan"]

[Text] The CPC Central Committee proposal for the Seventh 5-Year Plan for national economic and social development explicitly points out that we should strive to establish a comparatively complete economic legislative system during the period of the Seventh 5-Year Plan.

The Economic Law and Regulations Research Center under the State Council is organizing experts of the relevant fields and cadres in charge of economic legislation to study the problem of drafting the economic legislative "program" during the period of the Seventh 5-Year Plan. At present, the state is gradually turning direct control over economic management into indirect control. Such a "program" aimed at establishing a comparatively complete economic system will lay down more principles governing economic relations and economic activities in legal terms so that various economic activities will be based on law. In so doing, law and regulations will become important means for regulating economic relations and activities. This will also ensure the smooth progress of economic structural reform during the Seventh 5-Year Plan and the successful accomplishment of the economic development targets for the Seventh 5-Year Plan.

At present, a method of integrating the views of leaders with the opinion of the masses is being adopted in the process of drafting such an economic legislative "program." On the basis of widely carrying forward democracy and pooling the wisdom of the masses, people are encouraged to repeatedly discuss and amend the draft. The third draft has now been completed. The draft "program" emphasizes the following three aspects:

Promoting and Ensuring a Profound Development of the Economic Structural Reform

Economic laws and regulations are important tools used by the state to lead the reform and ensure its smooth progress. Though enacting relevant laws and regulations, the state will make clear which kinds of work are allowed and protected by the law, and which kinds of work are prohibited and should be punished according to the law. Due to the normal functions of the law and regulations, people will consciously carry out various kinds of economic activities in accordance with the requirements of the state. On a macroeconomic level, this will ensure the success of management and administration, and microeconomically guarantee the achievements in opening up to the outside world and enlivening the domestic economy. In so doing, reform will progress in an orderly way.

Various departments and localities have put forward many proposals on legislation in this regard.

For example, as far as agriculture is concerned, during the period of the Seventh 5-Year Plan, we should continue to improve and develop management methods such as household contract responsibility system according to output, and others, and expand various kinds of cooperative and joint business operations. We should promote the rationalization of rural production setups, and maintain the steady increase of grain output. We should encourage peasants to run town and township enterprises. We should promote the continuous enhancement of the level of agricultural production technology and economic results. We should increase the supply of chemical fertilizer, farm chemicals, and agricultural machinery. We should also do well in water and soil conservation, the improvement of agricultural ecological environment, and so on. To this end, we should study the problems of enacting regulations on the rural contract responsibility system according to output, regulations on agricultural contracts, law on town and township enterprises, and regulations on the rural cooperative economic organizations, agricultural mechanization. administration of farm chemicals, administration of fertilizer, agricultural enterprises (farms) grain law, the protection of cultivated land, the development, administration, and protection of the mountain regions, the administration of the fodder industry, and so on.

As far as industrial enterprises are concerned, during the period of the Seventh 5-Year Plan we should take both internal and external measures to invigorate enterprises, large and medium-sized enterprises in particular, and further streamline administrative organizations and delegate power. We should gradually improve the tax system to create relatively fair conditions for competition among various kinds of enterprises. We should improve various kinds of internal responsibility systems in enterprises. We should strengthen technical reform in existing enterprises and equip various national economic departments with advanced technology and facilities. Some small-scale enterprises under ownership by the whole people can be transferred to the collectives or individuals through contracting or leasing. For this reason, it is necessary to study the problem of enacting the law on state-operated industrial enterprises, the law on enterprise bankruptcy, and regulations on the economic responsibility system inside enterprises, the administration of trades and services, administration of public bidding, transferring small-scale enterprises under ownership by the whole people to the collectives or individuals based on leasing or contracting, technical reform of enterprises, awarding technical progress of enterprises, awarding manufacturing of new products, and so on.

With regard to the planning system reform, we should consciously use the law governing planned and proportional development and the law of value in order to keep in line with the requirement of gradually working out a completely new planning and administrative system during the period of the Seventh 5-Year Plan. We should also study the problem of enacting regulations on mandatory planning, regulations on guidance planning, the law on investment in fixed assets, and so on.

With regard to gradually improving the socialist planned commodity market system, during the Seventh 5-Year Plan we should not only continue to expand and further enliven the consumer goods market, but also further relax and do well in promoting a market for means of production. In the meantime, we should gradually open up and develop the capital and technology markets to exert the pressure of the market competition on enterprises. We should improve the socialist planned commodity market, and give play to the role of competition in selecting the best and eliminating the worst, and the role of various economic levers. In this connection, we should amend regulations on the administration of the industrial goods and means of production markets, and study the problem of enacting law on prohibiting illegal transactions, law on protecting the interests of consumers, on the responsibility of manufacturing products, regulations on the administration of the technology market, and so on.

Promote and Further Ensure the Implementation of the Policy of Opening Up to the Outside World

During the period of the Seventh 5-Year Plan, we should further implement the policy of opening up to the outside world. In accordance with the principle of independence, equality, and mutual benefit, we should strengthen and develop economic and trade contacts and technical exchanges with foreign countries, actively make use of foreign capital and import advanced technology. We need to enact a number of laws and regulations in this regard in order to promote and ensure further implementation of the policy of opening up to the outside world.

For example, with regard to economic and trade relations with foreign countries, during the period of the Seventh 5-Year Plan, we should actively open up new markets and establish and expand trade contacts with various countries in the world. We should actively organize and expand sources of goods for export and establish various kinds of export-oriented commodity bases. In this connection, we should study the problems of enacting law on foreign trade, law on inspecting and examining import and export commodities, and the issues of amending the regulations on the administration of compensation trade, and regulations on the administration of processing on order.

With regard to the import of foreign capital, we should welcome foreign firms to China to run Sino-foreign joint ventures, cooperative enterprises and wholly foreign-owned enterprises, especially those technology-intensive enterprises and export-oriented enterprises which can earn foreign exchange. We should exert more effort to make use of foreign capital in a balanced and systematic way, guide the correct use of foreign capital, and create a still better investment environment for foreign investors. For this reason, we should firmly grasp the work of enacting law on Sino-foreign cooperation in running enterprises, law on foreign-owned enterprises, and regulations on material supply and labor administration of Sino-foreign joint ventures and foreign-owned enterprises.

As far as technical exchanges are concerned, during the period of the Seventh 5-Year Plan we should continue to actively import foreign advanced technology, strengthen macroeconomic guidance and administration of the import of technology and do well in absorbing imported foreign technology. We should avoid blind or overlapping import of foreign technology, and change the situation where the import of foreign technology is out of step with research work and actual development at home. We should also promote exporting our technology. In this connection, we should study the problems of enacting administrative regulations on importing foreign advanced technology, administrative regulations on the import of intellectual resources, administrative regulations on the export of technology, and so on.

With regard to doing well in administering forward regions for opening up to the outside world, during the period of the Seventh 5-Year Plan special economic zones, and cities and regions opening up to the outside world should readjust their industrial set-ups in accordance with the needs of export so that more commodities will be exported to the international market. We should do well in the construction and development of these areas. We should study the issue of enacting the law on special economic zones, regulations on the regions for economic and technical development, and so on.

Support and Speed the Development of Some Key Projects Decided by the State

Economic law is a fundamental law. It directly governs the economic base and is an effective means for promoting the development of productive forces.

To ensure priority and rapid development of the key projects during the period of the Seventh 5-Year Plan, it is necessary to enact laws on vigorously developing and supporting these projects.

For example, as far as the development of the consumer goods industry concerned, it is necessary for us to study the work of enacting regulations on supporting the food industry, clothing industry, and durable goods industry, because they are key industries which bring along the development of the production of consumer goods industry as a whole.

With regard to the development of energy, communications, and raw and semifinished materials industries, we should arouse the enthusiasm of the departments concerned in developing these industries. We should study the issues of enacting the new regulations on the development and utilization of energy resources, developing products which can conserve energy, promoting electric power industry, promoting automobile industry, railway law, aviation law, highway law, and so on.

With regard to the development of tertiary industry, we should study the issues of enacting regulations on promoting information services, commercial law, and regulations on supporting the development of commerce and service trades in the regions inhabited by minority nationalities.

As far as technical progress in concerned, we should study the issues of enacting regulations on promoting the development of the integrated circuit industry, and the computer industry, regulations on the development of astronautics technology, and so on.

Apart from the legislation on the three main aspects mentioned above, we should enact relevant laws and regulations governing important economic regulating means such as credits, price, tax and so on, as well as important supervisory means including auditing, industrial and business administration, statistics, measuring, standardization, and so on. In so doing, we will ensure that these economic regulatory and supervisory means will play their effective roles.

During the period of the Seventh 5-Year Plan, apart from strengthening the work of economic legislation, we should also grasp well the work of popularizing legal knowledge, strengthen the implementation of economic law, administer well various links such as judicature, supervision, feedback, research, and so on. We should establish a relevant comprehensive system. We should strengthen the work of examining the results of enforcing the laws and regulations, follow the recent trends of development, and promptly analyze and study the information and feedback. Therefore, noted scientist Qian Xuesen's idea of establishing a systematic Chinese legal system based on the systems, control, and information theories is completely correct.

HISTORY OF LEARNING FOREIGN SKILLS DISCUSSED

HK120935 Beijing RENMIN RIBAO in Chinese 31 Jan 86 p 5

[Article by Xia Dongyuan: "On 'Learning Foreigners' Skills'"]

[Text] The Change From Opposing "Learning Foreigners Skills To Invigorate China" to "Learning Foreigners Skills"

"Learning foreigners skills" originated from Wei Yuan's statement "Learning the strong points of foreigners skills with an aim to check the foreigners." This slogan was first proposed through political and military practice in the course of the Opium War when resisting British invasion.

On the eve of the Opium War, the emperor and ministers of the Qing Dynasty were used to presenting themselves as the greatest in the world. They resolutely opposed "learning foreigners skills to invigorate China," and always held that the Chinese should be an "example" for "foreigners" to follow. Should anyone want to "learn foreigners skills," that would be regarded as treason and heresy. During the Opium War, foreign rifles and guns dealt heavy blows to the archaically equipped Chinese Army. This caused Lin Zexu, who fought at the front and was a rather enlightened man, to come to see that the main causes of their defeat were the "poor weapons" and the "lack of skills" of the Chinese Army. In order to conquer the enemy, it was imperative to acquire "good weapons" and "skillfulness" apart from "boldness and unity." He believed that if the Chinese had acquired munitions on a par with the foreigners, "there would not be any problems in overcoming the enemy."

Thus progressive politicians and thinkers such as Lin Zexu and Wei Yuan, gradually formed the concept: In order to "check" the foreigners, it was imperative to rapidly catch up with them in weaponry. The only way was to "learn foreigners skills," by learning from Western capitalist countries their advanced science and technology and military technology in particular. The change from closing the country to international intercourse, to the proposal of "learning foreigners skills" should be considered an important ideological one, in which progressive Chinese gave expression to their desire to change China's backwardness, and to change China's poverty and weakness into prosperity and power. Of course, people would welcome the idea of "checking the foreigners," but to "learn foreigners skills" to achieve that end would mean to violate the traditional, long-standing practice of closing the country, and the conceitedness of the Qing Dynasty. Such a concept was inevitably looked upon as departing from the classic and rebelling against orthodoxy and came under attack from all the stubbornly refused any international intercourse," holding themselves in high esteem while looking down upon others. However, learning the advanced science and technology of foreign countries in order to change the backward features of China was, after all, an irresistible trend of historical development. An ideological trend of learning foreign knowledge gradually took shape in Chinese society.

"Sizhouzhi" [0934 1558 1807], edited and translated into Chinese by Lin Zexu in 1840 and "Haiguo Tuzhi" [3189 0948 0956 1897], written by Wei Yuan in 1842 were representative of enlightened works during this ideological trend. In both their books, the idea of "learning foreigners skills" was stressed. Wei Yuan, in particular, even assumed: it is necessary to import western technical equipment, and to build shipyards. While building warships, merchant ships should constantly be built. It is necessary to build ordnance factories and, apart from manufacturing munitions, equipment for civilian use should also be manufactured. At the same time, merchants should be encouraged to make investments in building factories to produce industrial goods. If Wei Yuan's tentative ideas had been put into practice, not only would the enemy have been overcome on the battlefields, but competition with foreigners would also have been carried out on the world markets.

In the wake of "Sizhouzhi" and "Haigou Tuzhi," works on foreign affairs and western capitalism kept emerging, for example, Liang Tingtong's "Haiguo Sishou" [3189 0948 0934 6141] written in 1844, Yao Ying's "Kangyou Jixing" [1660 ---- 4764 5887] written in 1986, Xu Jishe's "Yinghuan Zhilue" [3467 1403 1807 3970] written in 1848, and, a little later, Xia Xie's "Zhongxi Jishi" [0022 6007 4764 4764 0057]. These books cover a rather wide scope, such as social custom, political systems, culture and education, but focus mainly on introducing western technologies, and stress that China should hurry to learn them. That China must change and must "learn foreigners skills," was the conclusion. However, it was not until the rise of the Westernization Movement in the early 1860s that such an understanding and conclusion came to be put into practice.

It was then that the entrepreneurs of the Westernization movement began to build industrial enterprises for military and civilian use with imported technological equipment, such as Jiangnan manufacturing bureau and Fujian shipyard, as well as other industrial enterprises such as steamship, telegram, textiles and mining. In the course of the Westernization movement, the Westernization school felt deeply that through practice in developing modern industry, nothing would be accomplished without iron and steel.

Therefore, in the early 1890s, apart from a new-type converter built in the steel workshop under the Jiangnan manufacturing bureau, an iron and steel combine industry, with Hanyang iron works as the center, engaged in coal and iron mining and iron smelting, the first of its kind in Asia, was initiated at the same time. (It was not until 1897 that Japan set up its first iron workship) Between 1893 and 1904, when the former was put into production, the highest annual output was 2,059 tons, and the lowest annual output was 10 tons. While the latter had a production capacity of 30,000 tons, its actual annual output never exceeded 10,000 tons between 1893, when it was put into production and 1896, when it became civilian-run. The Westernization movement was the first modernization movement in modern Chinese history which promoted the creation and development of capitalism, and has been universally acknowledged by academic circles. Despite its successes in some respects, the Westernization movement did not fulfill the expected targets and therefore, generally speaking, it was a failure.

From Learning Western Skills to Learning From Japan's Experiences in Learning From the West

The tentative idea of "learning foreigners skills" inevitably leads to the pursuit of keeping abreast of Western advanced countries. That was the ideal Wei Yuan had dreamt of and mentioned in "Learning the Strong Points of Foreigners Skills" -- the "people's wisdom will become greater and greater with the atmosphere of opening up getting stronger, then people in the East will be on par with those in the West" ["Chou Hai, Chapter Three: A Debate," "Haiguo Tuzhi" Vol II]. Here, the "East" referred chiefly to China, but not restrictively. At least, countries such as Japan were included. When the idea of "learning foreigners skills" was on the agenda for being put into practice, there was also an upsurge of learning from Western advanced countries in Japan; the 1868 Meiji Restoration was a symbol of this. Practice has proven that in learning from the West, Japan had more marked results than China, the more so at the turn of the century. Therefore, some progressive Chinese thinkers and politicians with keen political insight further proposed the idea of learning from Japan.

What were the results of Japan's learning from the West? Apart from the fact of setting up a political assembly, somewhat resembling to the parliaments of Western capitalist countries, their economic system and the principles for learning science and technology were comparatively rational. Those people who cared for national affairs, such as Shen Yukuei, who was in charge of Zhongxi College, Shanghai and the newspaper WANGUO GONGBAO, noted the results of Japan's assemblage "for the discussion of important affairs," and showed admiration that "everything thrives in Japan, and the country has gradually become modernized:. Other thinkers and entrepeneurs of the modernization movement were trying to find the root causes of Japan's economic prosperity. Among them were some who made rather systematic and incisive observations; the most representative among them was Zheng Guanying, a patriotic thinker and enterprise manager. Based on his own experiences in running a modernized enterprise, Zheng believed that there were many relevant things in Japan's experiences.

First, the relationship between the authorities and the merchants. He said: "In studying Japan's conditions... it has followed the example of Western countries, trying hard to invigorate itself.

"The authorities have ordered their local officials to do their best to imitate the production of all foreign goods, and to encourage the merchants to collect funds in shares to build factories to manufacture them... the merchants have the initiative in their hands concerning all regulations, and they are protected by the authorities from interference. Thus full-scale reconstruction is under way." In short, this encouraged the merchants to collect funds in shares and to run the enterprises by themselves, while the authorities protected them, fulfilling the target of "following the example of Western countries." Second, the principle of "following the example of the West." Zheng Guangzhong made a comprehensive generalization. He said: "Japan has drawn every lesson from China in commercial affairs, while following the example of Western countries in everything. Japan has taken China as a negative example, while giving preference to the West. The Western countries have expended great efforts in research and experiments to accomplish their results in science and technology, and it was easy for Japan to copy them" ("Shangzhan," Vol III). For these reasons, Japan scored remarkable results in learning from the West.

In Zheng Guanying's opinion, if Japan had scored such marked results, why should China not "change its usual practice and learn foreigners skills as a temporary measures'? If we should learn from foreigners skills, discarding their shortcomings while adopting their strong points, it would be very easy to surpass them with China's vast territory, rich natural resources, large population, and tremendous wealth" (ibid.) At that time, the level of Japan's economic development was not much higher than China's. Zheng might have underestimated the difficulties by saying "it would be very easy to surpass them." However, it would not be too difficult to keep abreast of them. Zheng's reference to Japan, his advocation to learn from the Japanese, and the idea that "the Western countries have expended great efforts in research and experiments to accomplish their results in science and technology, and it was easy for Japan to copy them" is commendable. China might take the easy way of "copying" the West as did the Japanese. Of course, learning from Japan means learning chiefly from its experiences in scoring accomplishments when following the example of the West, but not "learning their skills."

Zheng Guanying's contemporaries and the progressive thinkers and politicians who came after him, such as Wang Tao, He Oi, and even those representatives of the 1898 reformists such as Kang Youwei and Liang Qichao of the modernization group, had all shared the concept of learning from Japan in "following the example of the West." Thus, an upsurge of going abroad to study in Japan gradually took place. The number of students going to Japan at the turn of the century was a s great as over 10,000. Sun Yat-sen expressed his view of "turning to learning foreigners skills" at a welcome meeting in his honor held by Chinese students studying in Tokyo, Japan, in 1905. He said: "The purpose of your coming to Japan is to absorb its civilization. However, Japanese civilization is not innate in itself. Japanese civilization was first taken from the Chinese. Later, Japan followed the example of the Western countries. If China is capable of applying its own civilization, it will not be surprising for it to surpass Japan" ("Minbao" issue No 1, pp 70-71). This is in unanimity with Zheng Guanying's statement, namely that of learning from Japan with an aim to "surpass Japan." That was both practical and feasible at that time.

The Wish of "Surpassing Them" Was Far From Being Fulfilled

"Surpassing them" has two implications. First, it refers to "learning from Japan," as in the statement of Zheng Guanying and Sun Yat-sen. Second, it refers to catching up with and surpassing Western capitalist countries. Japan at that time was more advanced than China, but was falling far behind Europe and the United States. "Surpassing Japan" was only the first step; the target was surpassing the West.

All the thinkers and politicians who were bent on invigorating the Chinese nation in modern Chinese history shared the same wish. Wei Yuan's dream that "people of the East will be on a par with those in the West" has served as a typical illustration for "catching up with the West." The explicit proposal of "learning foreigners skills" was first put forth by Feng Guifen. He said: Regarding foreigners skills, "First, we will learn from them, then we will be on a par with them, and lastly, we will surpass them," was that China abounded in intelligent people. Feng had a clear idea of the purpose of "learning foreigners skills," namely," using foreigners skills for the sake of resisting foreigners." This was in unanimity with Wei Yuan's view "we want to learn foreigners skills because they are strong. In other words, we must check the foreigners because they are strong."

The modernization school held the same view. Among them was Zuo Zhongtang, universally acknowledged by academic circles as a patriot despite his suppressing the people. When initiating the Fujian shipbuilding administrative bureau, he drew up a practical plan for "learning foreigners skills," and "surpassing the Westerners." The first step was imitation in production, order to gain technical expertise. According to him, "it is better to hire than to borrow, better to buy than to hire, and better to build on one's own than to buy." This is because either hiring or buying "would only help the moment's needs," while building one's own was a lasting principle. Zuo Zhongtang saw clearly that foreigners would often "be proud of themselves for their merits in comparison with our shortcomings, for what they have in comparison with what we have not." He believed that only by building on our own what we did not have would it be possible to change this situation. The second step was "surpassing Westerners" through creation. Zuo Zhongtang came to understand that imitation was like "holding an axe-handle to make the handle of another axe." One got nothing more than both axe-handles the same length. If one wanted to master the complete principles of production, one must master mathematics, and the knowledge of science and technology (quoted from "Collected Works of Zuo Wenxianggong, Letters" Vol 8 p 63). Only when we have a command of the knowledge of science and technology will it be possible for us to practice and to be able to create. And only with creation will it be possible for us to "surpass the foreigners." Therefore, as soon as the shipbuilding administrative bureau was set up, a shipbuilding administrative school was instituted, and people were sent abroad to study.

He said really: If we go on like this, "we can master what Westerners are capable of doing," and "practice makes perfect; who knows if we are to surpass the Westerners?" Zuo Zhongtang did have extraordinary foresight and intelligence on "learning foreigners skills." Regarding "surpassing the Westerners," if we say Feng Fuifen was the first to advocate it, Zuo Zhongtang was the first to attempt to put it into practice.

At the turn of the 20th century, "surpassing the Westerners" became the universal wish to advanced personalities, and Sun Yat-sen in particular. In his speech delivered to Japanese students studying in Tokyo on 13 August 1905, he said: "China is not only capable of surpassing Japan," and he believed that it would not be too difficult to "surpass" Europe and the United States based on his personal experiences traveling in those parts of the world. According to him: "In a decade or two, China will master all the civilizations of the West, and it is not entirely impossible to surpass them" ("Minbao" issue No 1 p 71).

At that time, it was not too difficult to "surpass" Japan, but to surpass Europe and the United States in a decade or two, would be impossible from an economic angle alone, not to mention the political factor; anyway it was a beautiful wish from Sun Yat-sen.

However, the history of the 110 years since the Opium War has demonstrated that the beautiful dream of advanced personalitis is far from being fulfilled. Regarding the West, the gap is too great for China "to be on a par with them," and it is even more remote to "surpass" them, while the gap between China and Japan has become wider and wider. What were the causes? There were many; basically, it was a failure in realizing reform of the social system, mainly the political system. On this issue, advanced personalities in modern Chinese history were aware of it. Wei Yuan and Liang Tingtong showed their admiration for the United States' democratic system saying that "it will pass on from one generation to another, doing no harm." Feng Guifen drew the comparison that "the ruling and the rules are not so separated; in this aspect, China is falling behind the foreigners." And Zheng Guanying made the strong demand that "it is imperative to set up a parliament if China is to become prosperous." Public opinion on this issue, brewed over several decades, led to the 1898 Reform Movement headed by Kang Youwei and Liang Qichao, aiming at implementation of a constitutional monarchy, but this movement lasted only 100 days and failed. It was followed by the revolution of 1911 led by Sun Yat-sen. Although that revolution overthrew the autocracy of the Qing Dynasty and founded a republic, the semicolonial and semifeudal social system did not change. Then, there were the wars of the warlords, the fascist rule of the KMT reactionaries, and the grave impedence to the development of productive forces of imperialism, feudalism and bureaucrat-capitalism. It was impossible to do a good job in "following the Westerners example," not to speak of "being on a par with them" and "surpassing them." Historically, this mission has fallen to the Marxists.

Led by the CPC, the Chinese people overthrew the three big mountains weighing on them and founded the PRC. Over the past 3 decades and more, China has made great developments in its economic construction and science and technology. Under the guidance of the party's correct line and principles, we are certainly able to gradually realize the magnificent target of socialist modernization.

OFFICIAL REVIEWS SCIENCE, TECHNOLOGY REFORM

OW132122 Beijing XINHUA Domestic Service in Chinese 0804 GMT 13 Feb 86

[By reporter Zhang Jimin]

[Text] Beijing, 12 Feb (XINHUA) -- The first year of our comprehensive reform in the science and technology management system was 1985. How did we do in this year? A responsible person of the State Science and Technology Commission recently told this reporter that the practice over the past year shows we have already taken a major step forward in reforming the science and technology management system, that the reform's direction has been correct and its course wholesome, and that an unprecedentedly lively situation, in which the scientific and technological work is oriented to the economic construction, has emerged. He reviewed the following remarkable changes occurring in scientific and technological work as a result of the reform:

-- Technology markets are thriving across the country. Technological achievements are universally acknowledged by society and circulated as commodities. This has not only changed the old concept that belittled knowledge, but also facilitated the transformation of scientific research projects into production. As of the end of 1985, the total transactions in trading technological achievements stood at 1.77 billion yuan, and most of the deals were made between scientific research institutions and small and medium-sized enterprises or village and town enterprises.

-- Scientific research institutions have increased their own income while trying to provide more social benefit through transferring technologies and offering technological consultations. According to statistics, in 1985 there were 1,900 research institutions throughout the country engaged in technology development through contracts, constituting 40 percent of the independent scientific research institutions at and above the prefectural or city level, and topping the 1984 number by 27 percent. Among them, 360 were able to independently support their expenditures, doubling the number of those who did in 1984. A sample survey shows that scientific research institutions at and above the prefectural or city level throughout the country earned 900 million yuan through technology transfer, technological consultations, and development of new products last year. This figure, which is double that of 1984, constitutes 47 percent of the operational expenses appropriated by the state of these research institutional in 1985.

-- A large number of important scientific and technological achievements have received awards. Last year, a total of 10,476 projects were appraised as important scientific and technological achievements and given awards by all provinces, autonomous regions, municipalities, and ministries and commissions under the State Council, whereas during the first 4 years of the Sixth 5-Year Plan period, only an average of 5,631 projects with the same level of achievements recieved awards annually. Besides, the State Science and Technology Commission presented the state invention award of 185 scientific and technological research projects, and it approved and issued the state scientific and technological progress award to 1,772 projects last year. The direct benefits earned by these projects totalled 33.4 billion yuan.

-- Great headway has been made in combining scientific research with production. More and more scientific research institutions and production units have carried out technical co-management or formed all kinds of combinations of scientific research with production for the purpose of developing new technologies, thus promoting closer contacts between research and production units. As of the end of last year, there were 9,768 associations throughout the country that combined research with production, nearly quadrupling the figure of those in 1984. Among them, 778 were joined by research institutions affiliated to ministries and commissions under the State Council, and 8,990 by local scientific research institutions.

-- The movement of scientific and technological personnel has become more rational. According to surveys, as of the end of last year, research institutions of local departments [min kou 3046 0656] at and above the prefectural or city level released a total of 20,602 staff members and workers while absorbing 17,295 during the whole year. Although the net release was a small number of 3,307, the trend was heartening, as big cities released more and absorbed less, while countries, townships, and towns released less and absorbed more.

-- The average age of members of leading bodies of research institutions has become younger. Surveys indicate that 49.7 percent of the members of leading bodies of research institutes are in their 40's, and large numbers of young and middle-aged scientific and technical personnel have assumed leading posts in scientific research.

HU YAOBANG LAUDS PLA FOR DEVELOPING DACHEN DAO

OW131141 Beijing XINHUA Domestic Service in Chinese 0755 GMT 13 Feb 86

[Newsletter by XINHUA reporter Wu Dongfeng: "Dachen Dao and the People's Army"]

[Excerpts] Hangzhou, 13 Feb (XINHUA) -- On New Year's Eve, Wang Qichang, a resident of Dachen Dao, sobbed when he heard the voice of his sister, from whom he had been separated for 30 years, coming from the other side of the Pacific, the United States.

As he picked up the telephone, he might not have known that the People's Army had braved stormy waves and had worked a whole year to install a submarine cable connecting the island with the mainland.

Last year, a new generation of People's Army personnel threw themselves into construction projects for developing Dachen Dao. Last year, when word spread that preparations were under way to build a tidal power station, artillery troops immediately offered their observation records on tidal conditions; the model airplane squad sent in their hydrological survey data; and technicians of the infantry unit helped in a topographic survey.

Toward the end of December 1985, Comrade Hu Yaobang made an inspection tour of Dachen Dao. He said: The credit for the prosperity on Dachen Dao goes first to the PLA and second to the veterans of the land reclamation teams. The general secretary's words represent praise and encouragement for the commanders and fighters stationed on the island.

FORMER CENTRAL ADVISORY COMMISSION MEMBER DIES

OW132225 Beijing XINHUA Domestic Service in Chinese 1157 GMT 13 Feb 86

[Text] Hohhot, 13 Feb (XINHUA) -- Kui Bi, former member of the CPC Central Advisory Commission and chairman of the Nei Monggol Regional CPPCC Committee, died of illness on 7 February in Hohhot despite all medical treatment. He was 82.

A mongolian, Kui Bi was a native of Tumd Left Banner, Nei Monggol Autonomous Region. He joined the Socialist Youth League of China in 1924 and became a CPC member in 1925. He filled a number of positions, including vice chairman of the Suiyuan Provincial People's Government, deputy secretary of the Nei Monggol Regional CPC Committee, Supervisory Commission secretary and Secretariat member of the Nei Monggol Regional CPC Committee, and vice chairman of the Nei Monggol Regional People's Government. He was also a delegate to the Seventh CPC National Congress, alternate member of the Eighth CPC Central Committee, deputy to the First, Second, and Third NPC's, and member of the Fifth NPC Standing Committee.

HUANG HUANG AT ANHUI MEETING TO GREET EXPERTS

OW131311 Hefei ANHUI RIBAO in Chinese 2 Feb 86 p 1

[By reporters Chen Ying and Xu Ming]

[Excerpts] The provincial scientific and technological association ceremoniously held a meeting at the Anhui theater yesterday morning to warmly greet 80 experts in the province who have engaged in the scientific and technological work for 50 years.

Huang Huang, Wang Yuzhao, Lu Rongjing, Meng Fulin, Liu Guangcai, Cui Jianxiao, Zhang Zuoyin, Zheng Rui, Kang Zhijie, Yang Jike, Sun Zongrong, Zheng Jiaqi, and other leading comrades of the provincial party and government organizations were present at the meeting to extend sincere greetings to them. On behalf of the provincial party committee and provincial government, Wang Yuzhao, deputy secretary of the provincial party committee and governor, delivered a glowing speech at the meeting.

FUJIAN CONGRESS SESSION STRESSES LAND CONTROL

OW131428 Fuzhou FUJIAN RIBAO in Chinese 31 Jan 86 p 1

[Text] Indiscriminate occupation and abuse of lands has become a serious problem in our province, and strengthening land control is a task of great urgency. This important subject was discussed at the 17th Session of the 6th Fujian Provincial People's Congress Standing Committee.

Lin Guitang, director of the provincial Agricultural Department, said in his report to the session: By the end of 1984, the province had only 19,194,000 mu of cultivated area, a drop of 3,325,000 mu from 1956, a peak year in terms of cultivated area. This means that since 1957 the province's cultivated area has been reduced by 111,600 mu annually, which is equivalent to the cultivated area of a small county. By the end of 1984, the province's cultivated area was only 0.72 mu per capita, less than half of the national average and ranking second from the bottom in China. He said that the cultivated area was reduced partly because of lands requisitioned for necessary construction projects. However, a considerable part of the land has been indiscriminately occupied or used. Major forms of illegal occupation and wasting of lands are: illegal buying and selling of lands for extraordinary profits; occupying more land than requisitioned and allowed or requesting land without putting it to good use; using lands without prior requisition procedures; exceeding one's authority in approving land requisition or dispensing with requisition procedures altogether; and so forth.

After hearing Lin Guitang's report, members of the Standing Committee earnestly discussed land control in our province. The session pointed out that land occupation exists to a serious degree in our province. Leadership at all levels should pay serious attention to and solve this problem without delay. Our province has insufficient grain, so land protection is most important. We should make greater efforts to publicize the importance and urgency of land protection to arouse the attention of all of society. We should halt indiscriminate occupation and use of land as well as illegal buying and selling of land in the course of rectifying party work style and social conduct.

The session stressed: With regard to land control, we should currently pay special attention to solving the problem that laws are not observed or enforced. Selling or buying land violates the Constitution and law. This must not be treated as ordinary unhealthy tendencies are. Instead it should be dealt with in accordance with the law. Efforts should be made to perfect local land management regulations at an early date. At the same time, we should also adopt supplementary administrative, economic, and technical measures.

Members of the Standing Committee held that it is necessary to strengthen organizational leadership over this work. A unified land management organ should be set up at an early date to take charge of survey, development, utilization, planning, and management of land resources. We must change the situation in which authorities in many departments and at various levels have the right to approve land requisition but not one takes any responsibility when something goes wrong.

The session also contended that efforts should be made to raise the land utilization rate and to avoid requisitioning cultivated land as much as possible. Requisitioning land is an objective requirement for the development of various undertakings. However, we can improve planning and make careful calculations. In housing development, we should use hillsides or build high-rise apartments. Moreover, the various localities should also try to expand areas under cultivation and transform low-yielding lands.

LI PENG VISITS JIANGSU MICROELECTRONICS COMPANY

OW131411 Nanjing XINHUA RIBAO in Chinese 1 Feb 86 p 1

[By reporter Guo Zujin]

[Text] (XINHUA RIBAO report) The state has approved expansion of the Wuxi Microelectronics Research and Production Corporation and decided that a microelectronics industrial base should be built in Wuxi City during the Seventh 5-Year Plan. Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, recently inspected this corporation. During his visit, he urged cadres, workers, scientists, and technicians to chart a new course for the development of China's electronics industry and strive to gradually achieve the goal of producing electronics parts domestically.

The Wuxi Microelectronics Research and Production Corporation was set up in June 1985 under the sponsorship of the Jiangnan Radio Equipment Plant and the Wuxi Microelectronics Research Center under the Ministry of Electronics Industry. Because of their technical resources, production equipment, and good geographical location, the corporation, in addition to producing calculators, communication apparatus, and consumer electronics goods, has achieved fairly good progress in carrying out technical research for the mass production of large integrated circuits. In accordance with the state's needs and the principle of importing, digesting, and developing foreign technology and bringing forth new ideas, the corporation is a complex for research, development, production, and education and consists of major semiconductor equipment plants and relevant institutes of higher education in Jiangsu. It hopes that, with the combined resources of electronics and associated industries in Jiangsu and Wuxi, all forms of cooperation can be organized to study and develop large or very large integrated circuits. The corporation has also decided that it will develop a number of new products that can be used in production and daily life and will strive to attain advanced world level in terms of the rate of finished products as well as the quality, reliability, and competitiveness of their products.

JIANGSU CUTS POPULATION GROWTH, ILLITERACY RATE

OW140812 Beijing XINHUA in English 0724 GMT 14 Feb 86

[Text] Beijing, February 14 (XINHUA) -- The annual population growth in Jiangsu Province has fallen by 0.25 percent to 0.75 percent -- well below the national average -- over the past three years, according to HEALTH NEWS. And the province's illiteracy rate (the proportion of people over 12 years old who cannot read or write) has been lowered from 27.3 percent to 24.6 percent, said the newspaper, quoting Jiangsu Provincial Statistical Bureau figures.

China's overall population growth rate was 1.45 percent in 1981, and 31.9 percent of people over 12 were illiterate. Since then, the authorities have taken steps to cut both rates.

In Jiangsu, the proportions of people working in agriculture, industry and service trades are also changing quickly. The proportions in the three sectors were 56:32:12 last year compared with 66:25:9 in 1982 as a result of rapid economic growth and industrial readjustments.

Jiangsu Province has a population of more than 60 million people. Statisticians believe that population patters in Jiangsu might indicate national trends.

JIANGXI'S WAN SHAOFEN GREETS SPRING FESTIVAL

OW090809 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 8 Feb 86

[Spring Festival radio talks by Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee: "Vigorously Accomplish the Goals of Struggle for 1986"]

[Excerpts] The 1986 Spring Festival has arrived. While bidding goodby to the old year and welcoming the new one, I would like, on behalf of the provincial CPC Committee and the provincial people's government, to extend my holdiay greetings to the province's workers, peasants, intellectuals, cadres, and PLA commanders and fighters who are working hard on the forefront; to the veteran comrades, retired cadres, families of servicemen and martyrs, and disabled revolutionary soldiers who have made positive contributions to the revolution; and to the Taiwan compatriots in our province, the family members of people who have gone to Taiwan, returned Overseas Chinese, families of Overseas Chinese, and the foreign experts and scholars and their families who have come to Jiangxi to help us. I would also like to extend my greetings to those comrades who are working at various posts during the holidays.

In the past year, our province, as the entire nation, has been both stable and united politically; our economy has achieved sustained, steady, and coordinated growth; our economic construction has taken a giant step forward; and our industrial and agricultural growth rates have for the first time slightly surpassed the national average.

These achievements were the fruits of party and government departments, military personnel, and the people of the entire province in resolutely implementing the party's line, principles, and policies; in persistently carrying out reform: and in uniting to work hard under the leadership of the party Central Committee. We are happy to see a sharp decline in the passive and pessimistic attitude among cadres and masses of underestimating their capabilities and thinking that Jiangxi can never catch up with other regions. We are also happy to see a vigorous strengthening of the attitude and viewpoint of loving Jiangxi and building and revitalizing Jiangxi, and that Jiangxi has great potential, prospects, and hopes. This is a valuable ideological foundation and a great spiritual force for revitalizing Jiangxi.

Jiangxi is endowed with rich natural resources, a glorious revolutionary tradition, some 34 million industrious and brave people, and a firm foundation, all of which have enabled us to fulfill our Sixth 5-Year Plan. In the next 5 years, we will accelerate our pace of construction.

Nineteen eighty-six is a year for laying the foundation of the Seventh 5-Year Plan. We must continue to implement the guidelines of the eighth provincial conference of party delegates, and Comrade Hu Yaobang's general guiding ideology and principle of "one 'slightly higher' and two 'more bolds'" for our province. Our province's economic growth rate this year must continue to be a notch higher than the national average.

Our province's total industrial output and gross national product must increase 7 percent over the previous year. We must persist in reform and implement the eight-character policy of consolidation, digestion, supplementation, and development of various undertakings in our province.

Comrades, while promoting socialist material construction, we must also do a good job in promoting socialist spiritual construction, particularly in correcting our party style. We must resolutely put an end to and correct unhealthy tendencies within the party. Our party has confidence, determination, resources, and courage in correcting unhealthy tendencies. Since the National Conference of Party Delegates, the party Central Committee has issued a series of important documents and regulations. Party organizations, party members, and cadres must seriously study the important directives and talks of the party Central Committee and the leaders of the central organs, enhance their understanding, take positive action, and make concrete efforts in correcting unhealthy tendencies. We must advocate using one's authority to work for the good of all but must resolutely oppose the abuse of power to seek private gains. We must always put the interests of the party and the people above everything else, and firmly establish the concept of serving basic-level units and the masses. We must take the initiative in rendering high-quality and effective service to others. We must eliminate bureaucratic practices. Party organizations at all levels must do a good job in promoting education concerning the legal system and in inspecting the implementation of the legal system and discipline. We must dare to investigate and handle cases violating law and discipline, particularly major ones. It does not matter who is involved; we must never tolerate them. Everyone is equal before party discipline and state law.

Our party cadres, especially leading cadres and those of provincial-level organs, must set a good example in fostering new customs and habits, in handling matters impartially, and in improving party work style. I hope that all comrades inside and outside the party will boldly contribute to improving our party work style and social conduct.

Comrades, we must firmly carry out the party Central Committee's line, principles, and policies. We must further expand our achievements, rectify our shortcomings, keep in mind the interests of the whole, promote unity, upgrade work efficiency, and compete with one another in making contributions. We must carry forward the spirit of boldly overcoming difficulties and making sacrifices, carry forward our good work style and fine traditions, strive to accomplish our tasks for 1986, and work very hard to build a new Jiangxi that is economically, culturally, scientifically, and technologically developed.

Comrades, I call on those who wish our motherland to be strong and its people prosperous, and wish to invigorate Jiangxi, to display their talents to realize their ideals.

HENAN LEADERS CELEBRATE SPRING FESTIVAL

HK120928 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 9 Feb 86

[Ecerpts] This morning, people from all walks of life gathered in the People's Hall of Henan to celebrate the Spring Festival. Among the participating provincial leading comrades were members of the provincial CPC Committee Yang Xizong, Liu Zhengwei, He Zhukang, Zhao Di, Lin Yinghai, Hou Zhiying, Song Zhaosu, and Yao Minxue; members of the provincial Advisory Commission Han Jingcao, Zhang Chiia, Lin Xiao, Yue Xiaoxia, (Men Long), and Cui Guanghua; members of the Provincial People's Congress Standing Committee Zhang Shude Ji Hanxing, Din Shi, Wang Peiyu, Guo Peiyun, and Fan Lian; leaders of the provincial government Zhang Zhigang, Qin Kecai, Hu Ingji, and Hu Tiyun; leaders of the provincial military district Zhan Jingwu and (Dong Guoqing); leading comrades of the PLA units stationed in Henan (Hang Hui), (Jiang Weihan), and (Sun Shitong); members of the provincial CPPCC Song Yuxi, Ren Leiyuan, Zuo Mingshen, Duan Zongsan, Ding Zhenyu, and Tu Jiaji; Zhao Wenfu, a leading comrade who has withdrawn from the front line; chief leaders of various democratic parties in this province; and Hu Shujian and other party and government leaders of Zhengzhou City.

In his speech, He Zhukang, deputy secretary of the provincial CPC Committee and governor of Henan Province, said: The past year was one in which great achievements were made in the construction of socialist material and spiritual civilizations. Under the correct leadership of the CPC Central Committee and through the efforts of the people of nationalities in our province, a bumper harvest was reaped in agricultural production despite the serious natural calamities, and rapid development was achieved in industrial production. The market was brisk with rich varities of commodities. The incomes of both rural and urban residents increased and their living standard was further improved. The reforms in the economic, science and technological, and educational fields were further carried out, and there was a continuous, steady, and harmonious development in the national economy as a whole. The situation was gratifying. Party rectification was carried out smoothly. As a result, party style and the entire social mood were gradually changed for the better, and a political situation characterized by stability and unity was further developed. People were happy, energetic, and full of confidence. In short, the current political and economic situation is one of the best since the founding of the People's Republic.

Comrade He Zhukang said: The year 1986 is the first of the Seventh 5-Year Plan and one of key importance in achieving a fundamental turn for the better in the party style and social mood. In the new year, we must endeavor to do a good job in the following four aspects: 1) Continue to put the reform in the forefront as to promote the social productive forces and accelerate the development of the socialist planned commodity economy; 2) make continuous efforts to do well in party rectification so as to straighten out party style; 3) effectively strengthen and improve ideological and political work and push forward the construction of socialist spiritual civilization; and 4) forcefully encourage the atmosphere of studying hard so as to acquire more knowledge and ability. (Dong Guoqing), political commissar of the provincial military district, also spoke at the gathering.

This morning, party and government leaders of Henan Province and Zhengzhou City Yang Xizong, Lou Zhengwei, He Zhukang, Yao Minxue, Hu Tiyun, (Deng Jianmin), (Shen Qiuping), and (Peng Jiashu) went to the No 2 and 4 cotton mills of Zhengzhou, and Zhengzhou dairy farm, Huayuankou in the northern suburbs of Zhengzhou, the construction site of the Huang He highway bridge, the Zijinshan department store, the butcher's shop at Huayuan Road, and the Zhongyuan country fair to greet cadres and workers there who were working during the festival.

HUBEI LEADERS STRESS CONTINUED PROGRESS

HK120930 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 9 Feb 86

[Excerpts] This morning, party and government leaders of Hubei Province and Wuhan City attended a Spring Festival gathering with soldiers and civilians in Wuhan. At about 0800, when NPC Vice Chairmen Wang Renzhong and Han Xianchu and party, government, and Army leaders of Hubei Province and Wuhan City arrived at the Hongshan gymnasium, people began to exchange Spring Festival greetings.

Guo Zhenqian, deputy secretary of the provincial CPC Committee and acting governor, delivered a speech at the gathering, extending congratulations to all on the occasion of the Spring Festival. He said: The past year was one in which the people of our province made great achievements in all fields under the leadership of the CPC Central Committee and the State Council. In the new year, we must conscientiously implement the spirit of the National Conference of Party Delegates, adhere to the four basic principles in accordance with the arrangements made by the provincial CPC Committee at its enlarged meeting last October, and work even harder to develop the good situation. We must continue to push forward the reform of the economic structure and the economic construction and make further efforts to make party style and the social mood turn for the better so that a good beginning can be created for the construction of the two civilizations during the Seventh 5-Year plan period.

Also present at today's gathering were leading comrades from the provincial CPC Committee, provincial Advisory Commission, provincial government, provincial People's Congress, provincial CPPCC, and provincial Discipline Inspection Commission Guan Guangfu, Qian Yunlu, Zhang Xueqi, Xu Daoqi, Huang Zhizhen, Han Ningfu, and Li Wei; Zhao Xinchu, member of the Central Advisory Commission in Wuhan; and others.

HUBEI RURAL BANKING SYSTEM BEING AUDITED

HK120926 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 10 Feb 86

[Text] Special auditing organs are being gradually set up and perfected in the province to standardize the management of the province's rural banking system.

Over the last few years, because of their failure to follow credit rules and regulations and to act according to the examination and approval limits, some agricultural banks and credit cooperatives have found it difficult to recover the excessive loans they extended. Some agricultural banks practiced fraud to varying degrees, illegally retained profits and used the profits that ought to have been handed over to the state for other purposes, ran their own independent businesses without authorization, wantonly distributed allowances both in cash and in kind, and carried out capital construction projects by abusing their power, thus expanding the scope of capital construction.

In order to rigorously enforce financial rules and regulations and to ensure the normal operation of the rural banking work, the provincial agricultural banks and credit cooperatives and their related agencies conscientiously reviewed both positive and negative experiences and began to set up special rural auditing organs. They also instituted and perfected the job responsibility system for auditing personnel and rules and regulations concerning joint meetings, reports, and the management of files of auditing work.

At present, agricultural banks at the provincial, prefectural, and county levels have set up 49 independent auditing organs with a staff of more than 1,900 auditing personnel.

MAO ZHIYONG SPEAKS AT HUNAN SPRING FESTIVAL

HK111444 Changsha Hunan Provincial Service in Mandarin 1100 GMT 9 Feb 86

[Excerpts] This morning, the provincial CPC Committee, Advisory Commission, Discipline Inspection Commission, Sixth People's Congress, government, CPPCC Committee, and provincial Military District jointly held a Spring Festival gathering in the assembly hall of the provincial military district. Wang Shoudao, Standing Committee member of the CPC Central Advisory Commission; Tao Zhiyue, vice chairman of the CPPCC National Committee; Chen Zhongying, former member of the CPPCC National Committeeand ex-soldier of the Red Army; Zhou Li, former member of the CPC Central Advisory Commission and veteran cadre; and Mao Zhiyong, Xiong Qingquan, Liu Zheng, Liu Fusheng, Jiao Linyi, Cheng Xingling, Shi Xinshan, Jiang Jinliu, and other leaders of the Hunan Provincial Government and Changsha City Government happily gathered under the same roof to celebrate the festival.

Provincial CPC Secretary Mao Zhiyong spoke at the get-together. On behalf of the provincial CPC Committee, Advisory Commission, Discipline Inspection Commission, Sixth People's Congress, government, CPPCC Committee, and provincial military district, he extended cordial and holiday greetings to all workers, peasants, intellectuals, cadres, PLA units stationed in the province, commanders and fighters of provincial People's Armed Police Corps, members of every democratic party, people of the association of industry and commerce, nonparty personages, patriot of all circles, retired cadres, and comrades who have to work during the holidays in the province.

He said that in 1985, under the correct leadership of the CPC Central Committee and the State Council, every front and every department in the whole country did a lot of work. The building of the two civilizations has scored new achievements and both the political and economic situations are excellent. In the new year, we should continue to thoroughly carry out the spirit of the National Conference of Party Delegates, persist in grasping both the material and spiritual civilizations and giving the first priority to reform, and use reform to push forward the economic construction as a whole. We should do a good job in party rectification to bring along the building of the two civilizations and further consolidate and develop the excellent situation.

Finally, Mao Zhiyong hoped that all the people in the province will become united, overcome difficulties, forge ahead, and contribute to the building of the two civilizations in Hunan Province.

In the afternoon, leading cadres of the provincial CPC Committee and government such as Mao Zhiyong, Xiong Qingquan, Liu Zheng, Liu Fusheng, Sun Wensheng, Chen Bangzhu, Want Xiangtian, Jiang Jinliu, Dong Zhiwen, Xia Banzhong, Shen Ruiting, Li Jianguo, Cao Wenju, Yu Haichao, Yang Huiquan, and others, planned to go to grass-roots units to convey greetings to comrades who have to work during the holidays.

HEBEI ARTICLE ON PARTY MEMBERS' ERRONEOUS THOUGHTS

SK130702 Shijiazhuang HEBEI RIBAO in Chinese 28 Jan 86 p 3

[Article by contributing commentator: "Earnestly Remove the Inner Party Erroneous Thought of 'Distant Hope' and 'Practical Benefit'"]

[Text] At present, our party has found a way, in both theory and practice, through which communism can be realized in China. The way is to build socialism reflecting Chinese characteristics, with the overwhelming majority of party members able to exert all-out efforts to wage struggles by integrating theory with practice. However, there are few comrades whose communist ideals have weakened. The concrete indicators in this regard are as follows: 1) One is the thought of the so-called "distant hope" in which some have regarded communism as "unattainable" and "distant fancy" and have not known "when it can be realized." 2) The other is the thought of "practical benefit" in which some have said that "all ideals should be motivated interest," and that "all futures and plans should be aimed at making money." Some have even sought personal material interest unscrupulously by harming others and the public interest to benefit themselves, and have pursued personal gain by violating the law and discipline and bringing damage to personal and national prestige. The appearance of such a state of affairs is not accidental. Fundamentally speaking, it represents the reflections of some comrades who have been weak in theoretical preparations for the current historic period and not been able to withstand the ideological change cropping up in enforcing the open policy.

The two indicators of the weak theoretical preparations are as follows: 1) Some have not correctly understood the socialist society, and 2) they also have not correctly discerned the capitalist society. Following the victory in the democratic revolution, our party immediately led the people to carry out socialist revolution and construction. Therefore, a number of party members did not have much time to study the theories concerning socialist construction and incurred serious prejudices in understanding socialism and communism. Some have even harbored the native idea that all work and things will be ideal and smooth if we reach socialist society, and the beautiful heaven of communism can be realized without the least effort. Therefore, when our party has incurred setbacks and faults, particularly the serious setback of the "Great Cultural Revolution," these comrades have been seriously criticized ideologically because they thought that the Communist Party and the socialist society can incur such problems. As a result, they have doubted the realization of communist ideals. On the other hand, we knew so little in the past about the actual situation of the capitalist world. Some comrades learned about the corrosive dying imperialism only by reading books on Marxism and Leninism. As soon as the open policy was enforced a few years ago, and as soon as they discovered that the capitalist world is far different from what they have known, and can still make progress, they immediately started to doubt the scientific nature of communist theories. The two indicators of doubt mentioned above fully reflect the seriously poor approach to theories on the part of these comrades.

In eliminating the thought of "distant hope" in order to foster the firm ideals of communism, efforts should be made to earnestly study Marxism-Leninism-Mao Zedong Thought and to foster the firm world outlook of dialectical and historical materialism. By integrating theories with practice, we should be truly clear about the objective law in which social development toward communism is independent of man's will. Communism is our longer-term target, and, judging from the current development of socialism, it is by no means distant and indistinct. Only by dealing with this ideological problem can we constantly maintain a firm confidence in communism under any difficult circumstance and setback, and can the socialist society pave a broad way for realizing a communist society. However, socialist society still has the contradiction between productive forces and production relationships, and between the economic foundation and the superstructure, a contradiction that is complicated and sometimes becomes very sharp. Therefore, socialist society, as other human societies in the world, can still achieve progress, albeit along a tortuous road. We should also correctly sum up our experience gained in the past.

In building socialism in our country, we committed mistakes in the past and will still make mistakes in the future. However, the party and the state have always been able to discern and correct their mistakes and to push the socialist cause forward, no matter how serious the mistakes they have committed and how many complications they have encountered. This is because our party is a proletarian political body, is guided by Marxism, and engaged in the revolutionary movement by adopting communism as its ideological system and as its guidance. Only by persistently waging this movement will we be able to realize communism with certainty. Therefore, by no means should we lose our confidence in it just because the realization of the communist social system is a matter of the future, and regard communism as a "distant hope" just because the party has incurred serious inner problems and mistakes.

Capitalism still can make progress at present, particularly with regard to progress in the productive forces. However, the enhancement of monopoly undertaken by the capitalist countries and individuals has all the more shown that the private ownership of capitalism has become increasingly unsuitable to the development of the productive forces, and it will certainly be replaced by socialist public ownership. The productive forces of the major capitalist countries are greater than those of socialist countries, and such a state of affairs is caused by long-standing historical reasons. The lower productive forces of some socialist countries is the outcome of the unsound newly emerged socialist systems. Judging from this point, we cannot prove that capitalism is more superior than socialism. Lenin once said that capitalism and imperialism were corrosive and dying; by this, he meant the trend of development, and did not mean the date of capitalism's demise. Since the Renaissance, the capitalist thinkers have repeatedly pointed out that the feudalist system will die out and that there will be a capitalist society after several hundred years. As of now, there is still feudalism in the world. In line with the facts, can we regard the prediction of bourgeois thinkers as unsuitable to the reality? The answer is no. Using the same line of reasoning, we cannot negate the scientific prediction on realizing communist systems, while capitalism is still making progress at present. The appearance and development of a series of socialist countries in the world and the communist movements that have occurred in capitalist countries have repeatedly shown the scientific character of communist theories. Therefore, suspicions regarding their character are unreasonable.

The appearance of the idea or thought of "practical benefit" is based on the ideological change cropping up in developing the commodity economy. In the past, our party was short of experience in leading the people to develop the commodity economy. During the democratic revolutionary period, the inner party life was a military type life. After beginning the building of socialism, our country has constantly enforced the intensively centralized and planned economy and never allowed the commodity economy to appear. The broad masses of party members, including cadres, have been short of the necessary study and knowledge of developing the commodity economy. Since the 3d Plenary Session of the 11th CPC Central Committee, the party has acknowledged that the socialist economy also comprises the planned commodity econony, begun to enforce the open policy in order to enliven the domestic economy, and enabled the law of value to play its important role in daily economic life. All of this has naturally affected the members of the party. Upon seeing a number of persons in the society rapidly become wealthy, some party members, therefore, have turned out the thought of "practical benefit" because they also intended to become wealthy.

The thought of "practical benefit" runs against the fundamental purpose of the party, which is to serve the people wholeheartedly and to realize communism in China. The basic character of Communist Party members is to be utterly devoted to others without any thought of self. Communist Party members should not seek personal gain and undue interest at any time. When encountering the contradiction cropping up between the interest of the individual and the interest of the party and the people, these members should sacrifice their personal interest without the slightest hesitation and sincerely abide by the interest of the party and the people.

Therefore, they should not seek personal enjoyment at any time. Communist Party members should not seek undue personal interest by turning a blind eye to the interest of the masses. In line with this principle, the thought of "practical benefit" is totally wrong. Comrades who have harbored such a thought should do a good job in thinking it over and reviewing the pledge they made upon entering the party. They should think over whether such thoughts and acts are in conformity with the glorious title of Communist Party members. Frankly speaking, our party does not need such members. If they do not earnestly correct their mistakes, these comrades can be very dangerous.

The ideological foundation of the idea of "practical benefit" is ultra-individualism, and represents the influence of bourgeois corrosive ideology. Persons, particularly the party's leading cadres, who have harbored such a thought and idea will naturally commit serious mistakes and even crimes. Leading cadres without communist ideals, who cannot make use of the communist world outlook to direct their own acts, will not be able to correctly implement the party's line, principles, and policies, and to successfully lead the masses in engaging in the program of building the four modernizations. Therefore, leading cadres must set forth strict demands for themselves in ideology and action and act according to the party's Constitution and the several guiding principles of inner-party political life.

HEBEI SECRETARY ON ENHANCING CADRES' QUALITY

SK140720 Shijiazhuang HEBEI RIBAO in Chinese 31 Jan 86 pp 1, 2

[Text] The 5-day conference of the prefectural and city CPC Committee secretaries concluded on the morning of 29 January. During the conference, the guidelines of the Central Rural Work Conference were relayed and implemented, and the participants discussed and studied the outlines of the guidelines for the 1986 work of the provincial CPC Committee and the provincial government.

Xing Chongzhi, secretary of the provincial CPC Committee, delivered a speech entitled "Make the Greatest Efforts To Upgrade the Quality of the Cadre Ranks" at the conclusion of the conference. He said that making efforts to upgrade the quality of the ranks of cadres is an important task facing the CPC committees at all levels as well as an important guarantee for a smooth implementation of the "Seventh 5-Year" Plan and for further progress of the "two civilizations."

After reviewing the gratifying political, ideological, organizational, and practical changes which have taken place in the ranks of cadres, Comrade Xing Chongzhi pointed out that viewed from the historical experiences of the party, the party cadres should confront the tasks of carrying on restudies and upgrading their understanding in a transitional period of historical development. Instead of following established forms, we should bravely make explorations and carry on restudies with regard to the ongoing four modernizations and economic reform which are regarded as brand-new undertakings in human history. Some new problems incompatible with the new situation have cropped up over the past few years since a large number of new cadres were admitted into the ranks of cadres. Simultaneously the ranks of cadres have confronted a new trial since our country carried out the policy of opening to the outside places. Comrade Mao Zedong called on us to guard against the bourgeoisie's attack with sugarcoated bullets at the Second Plenum of the Seventh CPC Central Committee. This passage is still of practical significance for guiding the current work of opening to the outside world and reform work in the new situation. At present, some political and ideological problems which should not be ignored still exist among the ranks of cadres. Some comrades with a bad mental attitude lack lofty ideals and show indifference to the party spirit. Some comrades fail to firmly foster the thinking of serving the people wholeheartedly, and take masters for public servants and public servants for masters. The ideological individualism, bureaucratic work style, and political liberalism of some comrades still find certain markets. Some comrades administratively seek good relations with everyone at the expense of principle.

Some of these comrades publicly ask for official titles, rights, and benefits from the party. If the party does not comply with their requests, they will make trouble. If they do not have chances to make trouble, they will lodge complaints against the party. If they have no chance to lodge complaints against the party, they will throw up their job. Some even regard the power entrusted by the party and the people as a means to unscrupulously seek private gains by cheating the state and damaging the collectives. Some seek honor, official positions, and money by making false reports and holding back unpleasant information. Some cadres have given up the party's principles to seek good relations with all and sundry. Some leading organs and leading cadres carry out bureaucracy to different degrees. Without knowing much about or having a thorough and correct understanding of the new situation and the new problems cropping up in the reform work and the work of opening to the outside world, some issue orders according to their imaginations. Some have brought great economic and political losses to the state and the people by neglecting their duties. Some cadres who are lax in organizational discipline seriously indulge in liberalism. Some cadres stick to their old ways of doing things to the neglect of the instructions, criticism, and persuasion of higher levels. Some cadres let out the party secrets, spread hearsay, and even start slanderous rumors. In addition, because some cadres pay no attention to the study of basic Marxist theory, their political and ideological level cannot be upgraded.

In his speech, Comrade Xing Chongzhi emphatically pointed out that the unhealthy practices of cadres may directly affect the party style. He said: Straightening out the cadres' thinking and work style is of decisive significance for effecting a fundamental turn for the better in party style. We must take effective measures for upgrading the quality of the ranks of the cadres to a new level.

First, the training and education of cadres should be carried out with great efforts. Cadres can be trained and educated chiefly through two ways. One is to study knowledge from books, and the other is to learn from practice. The propaganda and organization departments of the provincial CPC Committee and other CPC committees at various levels should formulate plans for the political and theoretical study of cadres, and all trades and professions should also work out their own training plans. Measures for the training should be flexible and based on reality. All levels should also map out lists of books, set forth requirements, and grasp well the daily study of cadres. The study of theory should be integrated with practice. On the basis of the actual conditions in the modernization drive, we should observe, analyze, discuss, and solve the realistic problems existing in reform and construction with the Marxist stand, viewpoint, and methods, and pay attention to transforming our world outlook. At the same time, we should guide the masses of cadres to actively plunge into the building of the two civilizations. to conduct investigations and study, and to receive training at selected units. The provincial CPC Committee has decided to organize and send office cadres to grass-roots levels to receive training. This system should be carried out persistently.

Second, we should enforce discipline strictly, and dare to pay attention to and cope with problems. To improve the competence of cadres, we should rely on both education and strict enforcement of discipline. Enforcement of discipline is also a means of education. A failure in enforcing discipline strictly, criticizing what should be criticized, and handling in a timely manner or with due sternness what should be handled is one of the important reasons for the problems, in particular unhealthy trends, presently existing in the cadre contingents, to which solutions have not been found over a long period of time. For this reason, we must persistently pay attention to education and discipline. Cadres, at whatever levels, who violate party or administrative discipline or laws must be duly punished, and never be tolerated. With regard to economic crimes, we should start with major and appalling cases, be all the more brave in uncovering, investigating, and handling those involving leading cadres and their children, and never be softhearted toward them.

Those who have continued to engage in unhealthy trends and have violated laws and discipline from 14 November 1985 when the provincial CPC Committee announced the "10 prohibitions" at a rally of cadres of organs should be dealt with sternly.

Third, the key to upgrading the competence of the cadre contingents lies in the attention to leading bodies. Leading bodies are the backbone of the cadre contingents. Only when leading bodies enhance their competence can they cultivate competent cadre contingents. Leading bodies at various levels, in particular those at and above the county level, should have both cadres proficient in the economy and managment, and cadres familiar with the work concerning party affairs so that leading bodies as a whole can be upgraded. Members of leading bodies should be politically firm, have a strong sense of policies, possess correct party style, and a down-to-earth work attitude, be truly exemplary in every field, and set a good example for cadres with their exemplary deeds. In succeeding old comrades, young cadres should mainly take over their heroic spirit in struggles, and carry forward the party's fine traditions. In view of the situation in which leading bodies were getting older and had a rather low education level, we stressed the need to promote a group of young cadres with a college education level to leading bodies at and above the county level in the past 2 years, and this is totally necessary. In the future we will continue to pay attention to age and education. However, we should not one-sidedly emphasize diplomas and schooling, and mechanically apply the same age limit to all cadres. We should attach importance to shcooling, but not to schooling alone, and should also emphasize acutal work ability and performance. When using people, we should also pay attention to giving full play to their strong points and avoiding their weaknesses, and refrain from arbitrary "matchmaking," doing such a silly thing as to let "Li Kui plant flowers and Daiyu do carpentry."

Fourth, the cadre system should be further reformed and improved. Improvement of the cadres' competence depends on the guarantee provided by corresponding systems. Organization and personnel departments should have courage to explore, and push forward the reform of the cadre system. The systems governing the tenure of office, election, exchange, and personal responsibility of cadres, and the party's democratic life system should be established and gradually improved. From now on leading cadres should be promoted, retained, transferred, demoted or dismissed on the basis of their political integrity and ability, their performance, and levels. Old cadres should be able to assume higher or lower posts as required, and new cadres should all the more be able to do so, and the demands on them should be stricter. We should seize opportunities to establish the new practice of assuming higher or lower posts as required. Leading cadres that should be elected as stipulated in regulations must be elected. The system of fixed term of office should be experimented at pilot units and then gradually be applied widely. Some localities of our province have already tried out the cadre exchange system and achieved very good results. This year we should continue to carry out this system in a planned manner.

Fifth, actual merits should be emphasized when we promote and evaluate cadres. By emphasizing the acutal work contributions of cadres, we mean to uphold the criterion of putting practice in the first place when promoting and evaluating cadres. The purpose of our launching the activities of making contributions among the cadres throughout the province is precisely to lead them to emulate scoring actual achievements in their work. At present in promoting and evaluating cadres, some units make decisions on praise or censure on the basis of their likes or dislikes, favor or resentment, and gains or losses. Some appraise cadres on the basis of their old impression about these cadres, the superficial phenomena without examining to see whether they are true or false, and gossip. Some shelve the cadres about whom there are so-called disputes instead of distinguishing right from wrong, showing a "cold shoulder" to those who should be used. Some pursue personal relations, deliberately promoting those within their "network of personal relations," and arbitrarily demoting those outside.

All these phenomena are a reflection of disregard for the actual contributions of cadres and violation of the principle of appointing people on their merits, and should be conscientiously corrected. There is also another phenomenon in which some cadres try only to avoid mistakes and not to score achievements, and, therefore, fail to make contributions to their work and open up a new prospect. Although these cadres are different from those who commit serious mistakes politically and economically, and in their lives, their acts represent a dereliction of duty, and they should be criticized and educated. If they assume leading posts, they should be removed, and never be allowed to sit tight on their "iron armchairs."

Comrade Xing Chongzhi concluded in his speech: The provincial CPC Committee urges other CPC committees at various levels to foster a strong sense of responsibility and urgency toward upgrading of the cadre contingents, be farsighted, and truly regard the building of the cadre contingents as the center of party building, and grasp it well. Organization, personnel, propaganda, and discipline inspection departments at various levels should consider the upgrading of the competence of the cadre contingents as their important task, serve as good advisers to CPC committees, and carry out their work in a down-to-earth manner. All deparments and units should also exert concerted efforts to improve the competence of cadres.

SHANXI SECRETARY PAYS NEW YEAR CALLS ON WORKERS

HK120641 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 9 Feb 86

[Excerpts] Yesterday was the lunar new year's day.

Li Ligong, Wang Senhao and other leading comrades of the provincial CPC Committee, Advisory Commission and people's government separately paid new year calls on workers, cadres, engineers and technicians at their posts during the Spring Festival.

Li Ligong, secretary of the provincial CPC Committee; (Liu Dacai), a member of the provincial CPC Committee standing committee; and Yan Wuhong, vice governor of the provincial people's government went to the Taiyuan Gas Company, the Taiyuan Heat and Power Plant and the Taiyuan Coking Plant to console workers standing fast at their posts during the festival. They personally went down to the workshops to shake hands with workers and asked after their health with deep concern.

At the Taiyuan Gas Company, Comrade Li Ligong said: On behalf of the provincial CPC Committee and people's government, I wish all comrades a happy new year. You comrades stand fast on the forefront to ensure the gas supply to the people of Taiyuan City during the Spring Festival. You deserve credit.

At the Taiyuan Heat and Power Plant, Comrade Li Ligong asked workers about power supply during the Spring Festival and about their life. When he was told that there had been no power cut in Taiyuan City during the festival, he was very happy and expressed thanks to workers on behalf of all the people of Taiyuan City.

HEILONGJIANG MAKES PROGRESS IN MANAGING LAND

HK120217 Beijing RENMIN RIBAO in Chinese 2 Feb 86 p 2

[Report by XINHUA correspondent Xu Jiangshan: "Heilongjiang Province Makes Achievements in Managing Land According to Law"]

[Excerpts] The regulations and ordinances on land formulated by the state and local authorities have been resolutely implemented throughout Heilongjiang Province. Land control has been tightened and the illegal use of cultivated land for other purposes has basically been brought under control. The majority of over 1,500 land dispute cases have been settled in accordance with the law. Compared with 4 years ago, the amount of land used for other purposes last year declined, on the average, by 50 percent. The area of formerly abandoned land which was turned into farmland once again, and used for afforestation and fish breeding last year, amounted to 20 million mu.

While cracking down on malpractices in indiscriminately using land for other purposes, Heilongjiang Province also paid close attention to the standardization of land management and constantly improving its competence in managing land according to law. The province concentrated on conducting surveys on land resources, registering landmarks, and working out general plans for land use and for controlling land for rural residential use.

RENMIN RIBAO Commentator

HK120303 Beijing RENMIN RIBAO in Chinese 2 Feb 86 p 2

[Commentator's article: "Treasure Each Inch of Land"]

[Text] "Farmland cannot give birth to a child." The peasants of Shanduo village plainly stated the inability of cultivated land to regenerate this means of production, by using the term mentioned above. For this reason, they have greatly treasured land and adopted effective measures to put land under strict control. Although they have built hundreds of new houses, they have never ever used cultivated land for that purpose.

Man must have food to eat and food crops, melons, fruit, and vegetables are all products of the land. Both villagers and city dwellers understand this truth. However, understanding it is one thing and practicing it is another. When using cultivated land for house building, many localities, units, and individuals more often than not forget the truth, which is known even to women and children, about China's basic national condition; namely, that it has a huge population but limited usable land. Despite repeated injunctions by departments concerned the phenomena in which some localities indiscriminately use cultivated land for other purposes is getting more serious day by day rather than being checked. According to statistics, over the last 2 years cultivated land used for construction amounted to tens of millions of mu each year. If things are allowed to go unchecked, the consequences will be disastrous.

With the growth of the urban and rural economies, and the expansion of the scope for construction, it is impossible not to use cultivated land for other purposes. However, it is necessary to bring the reduction rate of cultivated land under strict control and to treasure and rationally use each inch of land. To achieve this objective, it is imperative to handle the relationship between feeding the population and construction, so that people will really understand the truth that only when people have enough to eat can construction be carried out. At the same time, it is also necessary to restrain the practice of indiscriminately using land resources for other purposes or wasting them, in accordance with the regulations and ordinances of land management as Heilongjiang Province has done.

Some people ask: Have new things not emerged in the world, such as cultivating crops in workshops without soil? This is true. However, it will take a considerably long time to apply advanced science and technology from laboratories to mass production. Even if this is achieved in the distant future, human beings always need large tracts of vast green country. Now and in the future, we must take effective measures to strictly control the arbitrary use of cultivated land for other purposes and protect cultivated land as far as possible. We must make vigorous efforts to spread the use of advanced science and technology and encourage the peasants to use well each inch of land and to continuously improve the output rate of land so as to make up for the losses of cultivated land which has to be used for construction.

HEILONGJIANG: PROBLEM OF EXCESSIVE BURDENS VIEWED

SK130341 Harbin HEILONGJIANG RIBAO in Chinese 29 Jan 86 p 2

[Article by Zhao Guozhen, director of the Heilongjiang Provincial Township Enterprise Bureau: "The Problem of Excessive Burdens on Township Enterprises Awaits an Urgent Solution"]

[Excerpts] In our efforts to lighten the burden on peasants, reducing the burden on township enterprises is also a major issue that should be carried out urgently in the current rural work. This is because reducing the burdens on township enterprises is an important component part of the endeavor to reduce the burden on peasants. Compared with the advanced provinces of the country, the township enterprises of our province are only in the initial stage. With a poor foundation to start with, they lack a solid base and the reserve strength for continuous development; and, moreover, their growth rate is far lower than the national average, is incompatible with the large-scale agricultural and forestry development of our province, and hinders the overall revitalization of the rural economy. It should be noted that some localities, instead of actively supporting township enterprise development, often impose a large irrational burden on township enterprises in disregard of their capability to bear it. In violation of the provincial government's regulation on the distribution of the profits of township enterprises, some have collected profits from enterprises in advance, or collected much more than they should.

Because of the numerous irrational burdens and poor management, township enterprises have very little funds of their own, yield small benefits, and are even heavily indebted. At present the fixed assets of the industrial enterprises at township and village levels are valued at merely about 1.2 billion yuan and their output value is less than 2 billion yuan, but their total amount of debts and credits is as high as 1.1 billion yuan, of which nearly 500 million yuan should be collected but have not been collected becasue most of it is occupied by townships, villages, and some cadres for a long period of time. According to an investigation of Tangyuan County, in 1984 their township enterprises had 3.7 million yuan of credits which could not be recalled. Of the sum, 1 million yuan was forcibly appropriated by towns and townships, and 1.2 million yuan in cash or materials was occupied by some township and village cadres. Township enterprises throughout the province have more than 600 million yuan of debts, of which 530 million yuan are bank loans. As a result, the circulating funds for their own use account for 16 percent of the total, and most of them support their production with loans. Among the 105 enterprises run by townships in Tangyuan County, only 21 have a small amount of circulating funds. This has seriously affected the sound development and the economic results of the township enterprises of our province. According to statistics, from 1980 to 1984 the average growth rate of the enterprises at the town and township, and the village levels throughout the country was 21 percent while that of our province was only 15 percent; the average increase in per-capita productivity of the country was 16.8 percent while that of our province 10.8 percent, ranking second from the bottom; the average amount of taxes and profits created by per 100 yuan in output value of the township enterprises throughout the country was 16.4 yuan while that of our province was 11.6 yuan;

and the average turnover period of the circulating funds of the township enterprises throughout the country was 114 days while that of our province was 270 days. This showed that the development of our township enterprises lags far behind that of the country. We can imagine what the consequences will be if this situation is left unchanged.

As township and village enterprises are developed by townships and villages, it is only natural for them to provide a certain amount of profits to townships and villages. However, it must be clarified that enterprises run by townships and villages are not possessed by townships and villages, still less are they the "countryyard economy" of township and village governments. They represent an economic undertaking jointly possessed by township and village peasants. Therefore, no township or village government should limitlessly, arbitrarily appropriate money or materials from enterprises. The provincial government has stipulated in explicit terms that the net profits of township enterprises should be distributed in such a way that 50 percent of them goes to enterprises, 30 of them goes to township governments, and the remaining 20 percent goes to township enterprise offices. It also clearly pointed out that the profits retained by enterprises themselves should be used chiefly in expanding production, and that township governments and township enterprise offices should also set aside a considerable amount of the profits they share for use in developing township enterprises in addition to supporting agriculture and developing other welfare undertakings.

Developing township enterprises has become a road we must take in revitalizing our province's rural economy. Their further development will bring about a marked social benefit to all fields. We should adhere to the principle of "actively supporting, correctly guiding, working out rational plans for and strengthening the management of" township enterprises as set forth by the CPC Central Committee to support their sustained, coordinated and sound development.

LIAONING: APPOINTMENTS, REMOVAL OF OFFICIALS REPORTED

SK071226 Shenyang LIAONING RIBAO in Chinese 23 Jan 86 p 1

[Text] On 22 January 1986, the 18th Standing Committee meeting of the 6th Liaoning Provincial People's Congress adopted a decision in line with the proposal made by Governor Quan Shuren on appointing Wen Shizhen [2429 0013 7201] to the post of vice governor of the Liaoning Provincial People's Government.

The meeting also decided to appoint Zou Benren [6760 2609 0088] chairman of the Financial and Economic Work Committee of the Liaoning Provincial People's Congress Standing Committee; Li Jun as chairman of the Liaoning Provincial Rural Work Committee; and Zhou Wenzhi [0719 2429 2535] as director of the Liaoning Provincial Water Resources and Electric Power Department.

The meeting also decided to relieve Shang Bin from the post of director of the Liaoning Provincial Water Resources and Electric Power Department and to appoint Fan Fangping [5400 2455 1627] as vice president of the Liaoning Provincial Higher People's Court.

QINGHAI LEADERS CALL ON PEOPLE IN NEW YEAR

HK121548 Xining Qinghai Provincial Service in Mandarin 2330 GMT 9 Feb 86

[Excerpts] On the first day of the Year of the Tiger, the first day of the lunar new year, provincial party and government leaders went to the countryside, factories, hospitals, and armed police units to extend season's greetings to the masses, cadres, and soldiers and wish them vigor and vitality in the Year of the Tiger so as to create a new situation in all fields.

Comrades Yin Kesheng and Bian Yaowu went to (Shangwuzhuang) Township, Huangzhong County, to call on more than 10 peasant households. In (Puai) Village, they were very interested in the Spring Festival couplet posted on gateposts of (Zhang Shenghai's) house. The couplet read: Facing the mountain which is our ready source of money; greeting the river which is our treasure bowl. Yin Kesheng said: This couplet is well written. To become rich, peasants must first rely on the party's policies and secondly on their ambition. They must take the road of becoming rich through their own efforts and according to local conditions. Yin Kesheng said: This year is the first year of the Seventh 5-Year Plan. While grasping grain production, it is necessary to vigorously develop a diversified economy. When learning that peasants at (Nafuzang) Village sold all the gold they extracted last year to the state, Yin Kesheng said delightedly: Good! You peasants are the masters of the country, and extracting gold should benefit the people.

Comrade Song Ruixiang went to the Xining steel plant to call on the workers who insisted on working during the Spring Festival.

On the first day of the lunar new year, Comrades Liu Feng, Huanjue Cailang, Zhao Haifeng, Han Fucai, Bainma Dandzin, and Wu Chengzhi also went to factories and transport companies to call on those who were on duty during the Spring Festival.

XINJIANG REPORT ON RURAL WORK, REFORM -- PART I

HK120915 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 3 Feb 86

[Excerpts] The regional CPC committee held a rural work conference in Urumqi from 22 January to 2 February. At the conference, the participants listended to a report given by Zhang Sixue, deputy secretary of the regional CPC committee, on relaying the spirit of the central rural work conference; studied the central leadership Document No 1 and important speeches given by central leading comrades Zhao Ziyang, Wang Li, Tian Jiyun, and Du Runsheng; and held enthusiastic discussions.

In connection with reality, they analyzed the current situation in the region's rural reform, rural economic situation, and the existing problems; and studied the tasks in the region's work in 1986 and the principles, policies, and important measures for fulfilling those tasks. At the conference, Tomur Dawamat, deputy secretary of the regional CPC committee and chairman of the regional government delivered a report entitled: "Further Implement Policies, Continue to Conduct In-Depth Reform, and Promote the Rural Economy To Develop Continuously, Steadily, and in a Coordinated Way." This report covers 11 issues. This Nongjiale [Peasants' Happiness] program will broadcast his report in four sections from today. In today's broadcast, we shall cover the first topic: the region's rural situation and tasks, and the second topic: further strengthen the fundamental role of agriculture and animal husbandry in the region's economy.

I. The Region's Rural Situation and Tasks.

Over the past few years, under the guidance of four No 1 central documents, we have earnestly implemented a series of policies of the central leadership on rural reform, greatly unleashed the initiative of the broad masses of peasants, promoted the development of rural productive forces, and speeded up rural construction. The current situation in the region's rural areas is excellent. In 1985 we took a bold and steady step in the second-step reform in the region's rural areas. Great achievements have been made in the reform. The rural economy is moving toward comprehensive operation and coordinated development, and has switched from self-supporting and semi-self-supporting production to a relatively large-scale commodity production, and from the previous closed-type economy to the current open-type economy. The continuous growth of the rural economy has created favorable conditions for the reform and development of the whole economy. The characteristics of the region's rural economic development in 1985 are:

1. The rural production structure has been greatly readjusted. The farming structure is becoming more and more reasonable, which not only ensures a steady increase in the grain output, but also gives play to the region's superiority and develops the diversified economy. The percentage of grain-growing area in the total growing area decreased from 76 percent in 1978 to 64 percent in 1985. Despite a reduction of 7 million mu in grain-growing area in recent years, the per unit area grain yield increased by 145 jin or 67.7 percent. Therefore, the total grain output increased by 2.4 billion jin or 32 percent. The percentage of economic crop-growing area in the total growing area increased from the 12.5 percent in the past to 22.7 percent at present. In particular, the production of fruits and melons and horticulture developed rapidly. Animal husbandry has now been put in an important position in agriculture.

2. The system of monopolized and assigned purchase of agriculture products has been reformed. The rural economy has been enlivened and new development has been made in commodity economy.

3. Cooperative economy has been further consolidated and developed.

4. Marked progress has been made in science and technology in agriculture and animal husbandry. The level of scientific farming, scientific husbandry, and [words indistinct] has been upgraded.

It must particularly be pointed out that there were various serious natural disasters in the region last year. From winter 1984 to autumn 1985, the region was hit by storms, snow, frosts, floods, hailstones, sustained drought, and earthquake, much to the detriment of agricultural and animal husbandry production. Some 3.8 million mu of crops were affected by these natural disasters. About 1.1 million cattle were killed between winter 1984 and spring 1985. However, due to the party's policy for enriching the people, to the production responsibility system linked to output, to the consolidation and development of cooperative economy, to the progress in science and technology related to agriculture and animal husbandry, and to the joint efforts made by cadres and peasants of various nationalities, we have minimized the losses caused by the natural disasters and reaped bumper harvests for 8 years in succession. According to initial statistics, the region's total agricultural output value for 1985 is expected to reach some 5.02 billion yuan, an increase of 470 million yuan or 10.4 percent over 1984. Despite a reduction of 2.2 million mu in the grain-growing area, the region's total grain output for 1985 was about the same as 1984. The region's total cotton output for 1985 was about 4 million dan, an increase of 4 percent over 1984. The region's oil crop output for 1985 was 6 million dan, an increase of 38.8 percent over 1984. The region's water melon and muskmelon output for 1985 was 1.6 billion jin, an increase of 39 percent over 1984.

The total amount of livestock at the end of 1985 was 30.41 million head, an increase of 0.51 percent over 1984. The region produced 180,000 tons of beef, mutton, and pork in 1985, an increase of 5.6 percent over 1984. The region's fish output for 1985 was 9,000 tons, an increase of 27 percent over 1984. The region planted trees on 1.2 million mu of land, in 1985, an increase of 84.6 percent over 1984. The total income of the region's town and township enterprises for 1935 is expected to reach some 900 million yuan, an increase of 270 million yuan or 42.8 percent over 1984. The per capita annual income of rural people was 380 yuan and the region's total rural saving deposits amounted to some 1.35 billion yuan, both registering an increase over 1984.

The current situation in the region's rural areas is indeed excellent, but we should not overestimate the situation. On the whole, the region's agricultural foundation is poor; we cannot effectively resist natural disasters; and our production level is very low. Although peasants have upgraded their livelihood over the past few years, only a few of them have really become rich. Quite a number of peasants did not have enough to eat and wear. Peasants and herdsmen have heavy burdens. The phenomenon of arbitrarily apportioning and charging peasants can be seen everywhere. Some of the party's rural policies have yet to be implemented, perfected, and carried out in coordination with other aspects. We have failed to bring into full play the overall effect of policies. The meeting of urban and rural reforms have resulted in some disharmony. All the problems which we met in reform must be solved in further developing reform. The general requirement for the region's rural work this year is to implement policies, conduct in-depth reform, consolidate, digest, and supplement the achievements made in rural reform, preserve the good and remove the bad, and properly solve some prominent problems in the reform so as to achieve better results in the reform. It is necessary to further improve production conditions, and properly arrange pro-production and post-production service work. Meanwhile, it is necessary to conduct serious research and investigation to make various preparations for the next reform in rural areas and to promote continuous, steady and coordinated development of rural economy. The main tasks for the region's agricultural production in 1986 are: The region's grain output should exceed 10 billion jin or strive to reach 10.4 billion jin; the cotton output should reach 4.5 million dan and output of oil crops should reach 6 million dan; the region's beet output should reach 13 million dan; the region's livestock numbers should reach 40 million; the region's meat output should reach 215,000 tons; and the region should strive to grow grass or improve grassland on 5 million my of land; the region should plant trees on 1.2 million mu of land; the total income of the region's town and township enterprises should reach 1.2 billion yuan; and the region should attempt to reap a bumper harvest for the 9th year in succession. This task is very glorious and arduous.

II. Further Strengthen the Fundamental Role of Agriculture and Animal Husbandry in the Region's Economy

Treating agriculture as the basis in developing the national economy in China's long-term and unshakable strategic principle. This reflects not only the law of economy, but also the law of nature. This applies particularly to our Xinjiang, which is an underdeveloped area. Of the 13 million people in Xinjiang, more than 70 percent are peasants and herdsmen. Without the development of agriculture and animal husbandry, there will be no substantial economic development in Xinjiang, and it will be impossible for the people of various nationalities in Xinjiang to become really rich. The per capita arable land area of the region is much higher than the national average. The per capita grassland area of the region is more than 57 mu. The region's abundant natural resources in agriculture and animal husbandry are our biggest advantage. If all these natural resources can be effectively exploited and the region's resources superiority can be transformed to economic superiority, this will certainly create enormous material wealth for the people of various nationalities in Xinjiang and bring prosperity and plenty to Xinjiang.

PUNISHMENT OF SENIOR OFFICIALS' CHILDREN REPORTED

HK140522 Hong Kong TA KUNG PAO in Chinese 14 Feb 86 p 1

["Special Dispatch From Beijing": "Beijing Punishes Wicked Children of Senior Officials; Two Sons of Senior Cadres Sentenced to Death"]

[Text] "If a prince violates the law, he must be punished like an ordinary person." In order to consolidate the party's work style and social ethics, the CPC [crackdown] has "started in real earnest," as Hu Qili put it. The son of Hu Lijiao, chairman of the Standing Committee of Shanghai Municipal People's Congress; and the son of Chen Qiwu, former head of the Propaganda Department of Shanghai CPC Municipal Committee, have been sentenced to death for committing rascalism. Their appeals have been rejected.

At a meeting of the CPC Central Committee Political Bureau held on 17 January, CPC founding member Deng Xiaoping said that in order to rectify the unhealthy tendencies, "we should mainly rely on two means: first, education; and second, the law." In a speech delivered at the CPC Central Party School, Hu Qili also said that the promotion of the party's work style should not remain a slogan. It is imperative to act in earnest and not to be softhearted. We should arrest those criminals who should be arrested and put to death those who should be put to death according to law. At present, we should begin by cracking the major and important cases. In particular, we must break down resistance and carry the work through to the end in handling cases involving senior cadres and their children. We must punish one in order to warn many, so as to save a number of cadres.

Recently, in investigating and handling the major and important cases in every locality of the country, some high-ranking and powerful cadres have been punished according to law. It is learned that Wang Chun, the former vice mayor of Beijing, is now under investigation for economic problems. A number of suspect children of senior cadres have also been investigated by judicial organs. In addition to the recent widely rumored investigation of the children of General Ye Fei and Xiao Jingguang, the son of Hu Qiaomu was also investigated recently.

ZHONGGUO FAZHI BAO published by the Ministry of Justice has highly praised the actions being taken by the CPC, saying that it tallies with the party and people's feelings and deserves commendation. This newspaper also said that some leading party cadres who abominably abuse their power to seek personal gains and cause serious consequences must be punished severely without mercy, in the same way we brought Liu Qingshan and Zhang Zishan to justice in the 1950's. If we fail to do so, we cannot rectify the party's work style, warn others against following bad examples, and inspire the enthusiasm of the vast numbers of people for construction.

PAI HSING INTERVIEWS SHENZHEN'S LIANG XIANG

HK120111 Hong Kong PAI HSING in Chinese No 13, 1 Feb 86 pp 3-6

["Special Topic" by Zhang Jiefeng: "An Interview With Liang Xiang, Secretary of the Shenzhen City CPC Committee, on Shenzhen's Yesterday, Today, and Tomorrow" -- first three paragraphs are PAI HSING introduction]

[Text] We planned to interview Shenzhen City CPC Committee Secretary Liang Xiang a long time ago. Liang had an interview with our reporter in February 1985, giving an overall briefing on the development of the Shenzhen Special Economic Zone. At that time, Liang Xiang seemed proud and full of confidence. However, a few months later, Shenzhen experienced unprecedentedly strong influences.

As the state tightened control over the overheated economy and the import craze, Shenzhen's prosperous commerce, tourism, and catering industry were affected. In the wake of the Hainan Island incident, there were doubts about the continued existence of the special economic zone. Then, in September last year, Liang Xiang was appointed to the post of the city CPC Committee secretary and removed from the post of Shenzhen mayor, with former State Council Deputy Secretary General Li Hao taking his place. In the past few months, Shenzhen Special Economic Zone has stood the test, and Liang Xiang has also stood the test!

Our reporter requested an interview with Liang Xiang in early December 1985. But Shenzhen Special Economic Zone was then at a critical moment in determining its destiny. The 29 ministries and commissions under the central authorities held a special conference on the work concerning the special economic zones in late December, then followed a drive launched by Shenzhen City itself to readjust its work.... Liang Xiang had no time to spare for an interview with our reporter until 21 January this year. During the interview, Liang Xiang continued to show his confidence. But, when talking about outsiders' criticism of Shenzhen, he, as a man who had witnessed the "growth" of Shenzhen, could not help but complain about the lack of information on the part of these outsiders. From what he said one can feel his deep love for Shenzhen. His conversation with our reporter was as follows.

Dependence on the Hinterland Is an Old Idea Which Is To Be Emphasized in the Future

Zhang: Secretary Liang, the "conference on the work concerning the special economic zones" which closed on 5 January must have touched on many issues? What is this conference's decisive significance to Shenzhen Special Economic Zone?

Liang: The conference on the work concerning the special economic zones has laid down a guideline on development. However, it would be more appropriate if we talk about some questions in a month's time when the official documents are issued. The conference has closed, but the documents concerned are still subject to revision, approval by the departments concerned, and, finally, examination and ratification by the central authorities. By and large, the conference is very successful, and will surely be advantageous to the development of the special economic zone.

Zhang: It does not matter. Let us start with the guideline on development. The guideline on the future development of Shenzhen is "dependence on the hinterland, serving the four modernizations, keeping up with the development in Hong Kong and Macao, and marching on the world." Of this guideline, the idea of "dependence on the hinterland" seems to be a new one. Could you tell me how this idea was shaped?

Liang: We have had this idea all along. You just have not paid attention to it. How can we run the special economic zone without depending on the hinterland? We have strengthened our cooperation with other parts of the country since 1981 and we call it "holding hands with the hinterland."

Zhang: Really? Since 1981?

Liang: Oh yes, we put forth the idea in 1981, but now we are reiterating it more definitely: The special economic zones are the special economic zones of the whole country. The slogan, "The whole country supports the special economic zones, and the special economic zones serve the whole country," is a brief interpretation of this idea. Since the very beginning we have pointed out: The most obvious difference between the special economic zones run by China and those export processing zones established abroad is that we are relying on the socialist motherland and have strong economic forces as our powerful backing. Special zones run by capitalist countries are definitely not the same.

But, here we can integrate the advanced technology, industrial basis, and raw materials available in the hinterland. How could the special economic zones develop so rapidly without the support of the hinterland? Shenzhen was a small border town in the past. It is said that there were only five technicians in the town at that time. Therefore, the idea of dependence on the hinterland is merely an old idea which we have mentioned before, only it is going to be restated in more definite and concrete terms.

Zhang: Now that this old idea, which has been mentioned before is restated in more definite and concrete terms, does this not mean that the idea of "dependence on the hinterland" has failed to be implemented so smoothly as expected, and that some places do not support the special economic zone?

Liang: No. What you have mentioned indicates that outsiders are not well informed and mistakenly think of it as new development. Speculation and comments on our policies are nothing strange because everybody is concerned about the special economic zone. Speculation is inevitable, this is just normal.

Zhang: Being ill-informed is something that can hardly be avoided.

Liang: As a matter of fact, we, on our part, have failed to do a good job in publicizing our policies.

Zhang: But, from now on, the special economic zone's direction of development is to promote an export-oriented economy which takes industry as the key link and mainly depends on foreign capital. Then, under the slogan of "dependence on the hinterland," what ratio is to be maintained between "cooperation with establishments in the hinterland" and "introduction of foreign advanced technology"? Which is to retain a higher proportion and which is to retain a lower one?

Liang: We do not necessarily need to have a set proportion. It must be very flexible. While depending on foreign capital in the main, we do not mean that aid from the hinterland should be reduced. This will depend on the specific circumstances and specific projects. Why do we say that we depend on foreign capital in the main? Because the kernel idea of the establishment of the special economic zones is to draw in foreign capital; and, in promoting cooperation with establishments in the hinterland, we are aiming at increasing the special economic zone's attraction to foreign investors. To draw in foreign capital, we must prepare the necessary conditions. Otherwise, how can we expect others to cooperate with us? In brief, we must give full play to the favorable conditions of all three parties, but especially the special economic zone's own favorable conditions. The special economic zone's favorable conditions are that it has a relatively good environment for investment and convenient communication facilities, it adjoins Hong Kong, it has quick access to information, and it enjoys preferential treatments in terms of policy.

Zhang: Other open cities also enjoy preferential treatment in terms of policy. These are not the special economic zone's exclusive privileges.

Liang: But it makes a difference when the favorable conditions of the three parties are added together. For example, our city adjoins Hong Kong, hence our geographical conditions are different from those of other cities. Second, it is necessary to give full play to, and make use of the hinterland's favorable conditions, since the hinterland's technical force is pretty strong. Third, it is necessary to make use of foreign funds. Funds, technical force, and Shenzhen's geographical conditions, three aspects added together, will be a great advantage.

Several Special Economic Zones With Different Characteristics Play Different Roles

Zhang: There is no doubt that import of foreign funds needs some basic conditions. However, as we can see now, to support Shenzhen alone, the state has to make a tremendous investment. How can the state support so many special economic zones and open cities simultaneously?

Liang: It is true that the state has great capabilities. But, after all, we cannot rely on the state in everything. Just 1 percent or so is enough. For example, a few percent to support Xiamen, a few percent to support Zhuhai....

Zhang: Is there such unified planning and allotment?

Liang: No, there is no need. What we have to do is to find out which project is suitable for which places in accordance with the different conditions of different places. But we do practice unified planning regarding the number of projects to be run by each ministry or commission.

Zhang: You have worked out the thing in this way before?

Liang: Everything must be accomplished step by step. You cannot plan so many things perfectly all at once. You must sum up experience through practice and find out how to do it more reasonably. We have heard many opinions. A small number of people just sit and think in their offices, comparing our specific case with a single pattern they choose. Their way just will not work. They think that something will be up to their standards only if it fits their conventions. Everything develops step by step, and nobody can reach this goal in one move!

Zhang: How do the different special economic zones share out their work?

Liang: As far as this is concerned, the State Council has worked out in principle a plan on division of labor. There is a unified planning program to figure out which project fits which special economic zone.

Zhang: Let us go on with the export-oriented economy. What is the genuine definition of the export-oriented economy? State Councillor Gu Mu said that reported products must account for 60 percent. Am I right?

Liang: For the time being, we are not sure of the definition of the export-oriented economy. Anyway this is a topic to be discussed by academic circles. In brief, it means that after industrial enterprises are set up, the majority of their products must be exported and thus earn more foreign exchange for the state. As far as the percentage is concerned, there are different opinions. So far no criterion is available to figure out which percentage is too high and which is to low.

Zhang: But have you set any target? How high a target are you expecting to reach by 1988 and by 1990?

Liang: I believe such a target will be set. For the time being it does not seem possible to fix a definite figure, because there are a lot of changes in the objective circumstances....

Zhang: There must be some target to be aimed at!

Liang: This is a very complicated question. Generally speaking, all projects relating to import of technology which are submitted for approval are required to produce exported products. Whether these projects are to be run by foreign investors or by enterprises from other parts of the country, their approval depends on whether the technology involved is advanced and whether their products are mainly to be exported.

Every application is subject to careful examination. Those projects solely producing goods to be marketed at home and involving backward technology will not get approval.

Zhang: Do you mean that an enterprise, when handing in a project proposal for approval, must submit itself to a commitment in the form of contract that its products must be exported?

Liang: Principally you are right. Of course, subject to approval, part of those products which involve advanced technology and are cheap but in demand in the domestic market are allowed to be marketed in other parts of the country.

Zhang: Apart from the procedure of approval, are there any other measures to encourage export and discourage domestic marketing?

Liang: The other measures are mainly related to the taxation policy, say a longer tax exemption period.

Many Difficulties Are To Be Dealt With in the Effort To Step Up Import of Foreign Technology and Encourage Export

Zhang: It will certainly be advantageous to the state if the special economic zones' products can be exported and thus earn foreign exchange. However, from many foreign businessmen's point of view, they come to invest in China just because of the attraction of the Chinese market. Now that China does not allow them to sell their products in China's domestic market, will they not be disappointed?

Liang: This is an actual problem at present.

Zhang: Then how are you going to solve it?

Liang: Economic problems are not as simple as ABC. On the contrary, they are very complicated and involve many contradictions. Foreign capitalists surely wish to get access to the Chinese market, but, as I have just said, those products with reasonable prices which involve advanced technology and are in demand in the domestic market are allowed to be marketed in other parts of the country. We have put forth the policy of "exchanging market for technology," have we not? We are studying how to implement this policy.

Zhang: You mean to carry out the policy of "exchanging market for technology" toward foreign countries?

Liang: Yes, this is one of the solutions. On the other hand, we may also purchase technology or patent and then produce the goods on our own. We are doing this in some projects. There are many different cases with different solutions.

Zhang: How about the current structure of imported foreign capital? It was reported last year that most funds available were drawn from Hong Kong, most projects were small-scale, and most projects involved ordinary technology, while the number of foreign businessmen coming to open talks on investment projects decreased. Is this still the case?

Liang: We made great progress in drawing in foreign capital last year. Both the numbers of big projects and big consortia to run investment projects increased, and the situation was quite satisfactory. As for the report that most funds available were drawn from Hong Kong, I think one should not evaluate the achievements by simply considering the proportion of Hong Kong funds. You cannot deny that funds from Hong Kong are funds from the outside, can you? In fact, many Hong Kong companies are backed up by foreign consortia.

Moreover, some transnational corporations have also come to invest in Shenzhen. We just are not sure which are Hong Kong funds and which are foreign funds. Therefore, the remark that most funds available are drawn from Hong Kong is not so reasonable. Actually many foreigners set up companies in Hong Kong before investing in China. Many reporters asked me this question, I just answered that I was not sure, because a great deal of Hong Kong funds are from abroad.

Zhang: You, yourself, are not sure about this?

Liang: No. As for the question about the size of the projects, it is true that most projects are of medium and small scale. This is a phenomenon common to special zones abroad. There are only a few large projects, while most are medium and small size. This is because medium- and small-sized projects can display a great flexibility and can readily keep up with changes in the market. An excessively big project may mean lower efficiency! Most plants in Hong Kong are small, each plant has only 20 workers on the average. There are also many small plants in the United States as well. The crux of the problem does not lie in the size but in technology.

The Special Economic Zone Is Also Affected by the Nationwide Macroeconomic Control Which Is Under Way

Zhang: Apart from industrial development, how are things with trade?

Liang: We are now studying what structure would suit the development of the export-oriented economy. To be more precise, the state has drawn up the "Seventh 5-Year Plan," and we are working out a suitable structure in accordance with the guideline provided by the plan and in light of the local conditions in the special economic zone.

Zhang: The reason I ask about the development of trade is because some people have criticized Shenzhen before, saying that Shenzhen has devoted a lot of effort to developing trade and tourism but has overlooked industry, therefore now it is forced to put forth in definite terms the principle of taking industry first. Moreover, our country began to take many measures to cut down expenses last year, for example, the decision-making power on importand export has been curtailed and therefore, foreign trade has been affected. Did this change have an impact on Shenzhen's trade development?

Liang: I believe that Shenzhen's economic development has been comparatively harmonious in the past few years. Some criticisms on the special economic zone are due to lack of information. In my opinion, Shenzhen has just made a start in every aspect, in tourism, commerce, foreign trade, or other fields. It is not a matter of the degree of development. After all we have just made a beginning!

Zhang: But the question concerning the proportion between different sectors does exist.

Liang: Yes, every sector needs to develop and to coordinate with others. This is a more comprehensive point of view. Some people said we had paid attention to tertiary industry but overlooked secondary industry. This is not true. Everything develops along a certain course. The history of Shenzhen Special Economic Zone is very short, only 5 to 6 years. It is still immature. Is it realistic to expect a 6-year-old child to run very fast? It is just impossible! In the initial period of the construction of the special economic zone, our main task is to prepare a good environment for investment. Now that both the investment environment and the conditions for industrial development are available, we are to appropriately readjust the production structure and vigorously develop industry during the period of the "Seventh 5-Year Plan."

Other sectors, such as tourism and trade, also have to develop accordingly. We do not mean to ignore one aspect while concentrating our attention on another.

As for the state's strengthening macroeconomic control, of course this has affected the special economic zone somewhat. As the whole country is engaging in the effort to bring the flow of funds under control, cut down money supply, and promote foreign trade, the special economic zone of course must follow suit. But the impact is moderate, the state has after all taken the situation in the special economic zone into consideration and has given preferential treatment. I am confident that the situation will be better this year, the door will be open wider, the policies will be more clearly defined, and the special economic zone will enjoy more preferential treatment. Although Shenzhen Speical Economic Zone encountered tremendous difficulties last year, the economy as a whole developed very rapidly. For example, industry....

Zheng: The gross industrial output value amounted to 2.5 billion yuan.

Liang: Yes. Although Shenzhen Special Economic Zone encountered many difficulties in its construction last year, all difficulties were overcome and great success was achieved due to the support by the central authorities and the province, as well as the concerted efforts by cadres and the masses. The gross industrial output value totaled 2.5 billion yuan, an increase of 48 percent over 1984; the national income totaled 2.5 billion yuan, and increase of 23 percent; the total value of retail sales of commodities amounted to 2.3 billion yuan, an increase of 12 percent; and the financial revenue totaled to 2.3 billion yuan, an increase of 12 percent; and the financial revenue totaled 860 million yuan, an increase of 59 percent. The development displayed three characteristics: First, the industrial structure has been gradually rationalized, the proportion of exported products has been raised, exported products and those used to substitute imported products accounted for 57 percent of all the products, an increase of 9.5 percent; second, import of foreign funds was progressing smoothly, the amount of invested funds totaled more than $270 million, an increase of 46 percent, and the number of key projects and those involving advanced technology also increased as compared with 1984; third, the economic results have been improved, the amount of tax payment due to industry totaled more than 260 million, an increase of 52 percent, implying a synchronous growth of output value and tax payment.

The special economic zone underwent severe tests and faced many criticisms last year. In my opinion, however, these are natural things in the course of a reform. If one does not dare take any action after hearing irresponsible criticisms, one will achieve nothing. So, we had better follow the state's policies and the central authorities' directives, do more actual work, and avoid indulging in idle talk. Practice will prove everything. The conclusion, favorable or unfavorable, can be made later. No work is completely free from shortcomings. How can one never make mistakes? A great cause like ours will inevitably encounter many difficulties and obstacles, and we should not be afraid of them. We are now in the Year of the Tiger, and all of us must be full of confidence and stride forward as boldly as a tiger does!

Zhang: Some people have said: The special economic zone was initiated by the state, and the state just laid down the policy while granting no funds. So, to pay back all the loans as soon as possible, the special economic zone is forced to develop commerce and landed properties which are more profitable. As a result, industry which needs long-term investment cannot develop. Do you agree with this analysis?

Liang: According to my practice rather than analysis, this is not the case. Things always develop along a certain course. In the case of Shenzhen Special Economic Zone, do you believe it is possible for us to develop industry first? Can we build plants in paddy fields which have not been leveled yet and where there are no electricity, water supply, and telephones? We have been quite clear about what is to be done in which year, we are not acting recklessly. We first drew up a development plan, then we selected a site to start development. We started with construction of infrastructure. Plants can only be built after a good environment for investment is available. This is a very simple rule. To build plants we need to accumulate funds, therefore we launched some projects to promote tourism and build up some residential buildings and shopping arcades.

Zhang: Observers in Hong Kong are probably not well informed of the development in the special economic zone. But some people from the central authorities have also criticized the special economic zone for failing to attach importance to industrial development.

Liang: I have never heard any comrades in the central leadership criticizing the special economic zone for this. To be sure, there have been different criticisms. Obviously you are ill-informed if you just visit Shenzhen once, and then compare Shenzhen with Shanghai and Guangzhou and ask why there are so few industrial enterprises in Shenzhen.

Zhang: Well, you went to Beijing in December last year to give detailed reports on the development of Shenzhen, are they better informed of the situation after that?

Liang: They should be better informed. In fact my trip helped to clear a lot of doubts.

Zhang: You have just said that the state has given especially preferential treatment to the special economic zone, could you cite some specific measures that have been taken?

Liang: As far as fund allocation is concerned, the special economic zone has been given preferential treatment regarding credit quotas, although money has been tightened up throughout the country and fewer loans are being given. We have also been given preferential treatment regarding foreign exchange control and foreign trade quotas.

Liang Xiang Thinks Gu Mu Had a Reason for Criticizing Shenzhen

Zhang: When state Councillor Gu Mu said that Shenzhen Special Economic Zone had promoted its program on too large a scale, what did he mean in specific terms?

Liang: He said the scale of capital construction was a little too large. I agree he had reasons for saying so. Well, what should I say? On the one hand, the state is strengthening macroeconomic control, tightening up money, and reducing the scale of capital construction nationwide; on the other hand, the current situation requires us to advance more steadily with the aim of consolidation, digestion, and improvement of the achieved results, and then seek further development and advance wave upon wave. The process is like the long jump, you have to retreat a little bit so that you can jump further. Therefore, we are better to exert a moderate control over the scale of capital construction in Shenzhen rather than expand it abruptly.

But, to prepare a good environment for investment in Shenzhen, our supporting facilities are still not complete and need to be further improved. We must devote more effort to strengthening communications, energy supply, and telecommunications.

Zhang: Then it is true that the state did cut down investment in capital construction last year?

Liang: It was not investment but credit. As soon as you mention investment, some people would say this is a "blood transfusion" to Shenzhen!

Zhang: Were any capital construction projects suspended because of cutting down of credit?

Liang: No. You can visit construction sites everywhere in person and have a look. No construction projects have been suspended. To be sure, the scale of capital construction must be kept under control, but so far no capital construction projects have been suspended.

There Is a Change in Retention of Foreign Exchange and Illegal Purchase and Resale of Foreign Exchange Have Been Basically Kept Under Control

Zhang: Is it true that there is some change in the proportion of foreign exchange retention?

Liang: No, we are still practicing the system of contracting for financial revenue quota. The only change in the procedure of profit retention is: If a product is imported from the hinterland to Shenzhen for processing and packing and its value increases by over 30 percent afterward, then this product will be counted as a product of the special economic zone. In such a case, 75 percent of the revenue in foreign exchange arising from this product will be kept by the special economic zone. Otherwise, the ratio will be reversed, that is to say, 75 percent of the foreign exchange revenue arising from the products will be turned over to the state. In the past, the foreign exchange revenue arising from products imported into Shenzhen for processing was all kept by the special economic zone. Now this practice has been changed. This is because some enterprises jointly run by Shenzhen and hinterland enterprises used to evade turning over foreign exchange revenue to the state by importing their products into the special economic zone and making some minor changes without adding value to the products. This did not affect the special economic zone very much since products like these were few; and, strictly speaking, these enterprises were taking advantage of the state in doing so.

Zhang: But, after all, foreign exchange remains a major issue. Imagine what will happen if a foreign businessman coming to invest in China finds no way to exchange his earnings for foreign currency....

Liang: We are still practicing the method of "not settling foreign currency account" [bu jie hui 0008 4814 0565], the three types of enterprises (namely, those run by foreign businessmen, joint ventures run with Chinese and foreign capital, and those run in a cooperative form) are still practicing the old method.

Zhang: It is reported that the illegal purchase and resale of foreign exchange in the black market have been brought under control. Has it?

Liang: Illegal purchase and resale will exist all the time, it will exist even after 100 years, and the complete elimination of these kinds of activities is impossible. Just like smuggling which exists everywhere in the world, these activities will continue to exist so long as the price difference exists. But I would like to make one thing, clear; that is, now we have already basically brought large-scale illegal purchase and resale of foreign exchange involving enterprises under control. However, small-scale and individual illegal purchase and resale of foreign exchange will continue to exist for a certain period, and you may come across someone in the street asking: "Do you have Hong Kong dollars?" These are illegal activities which are strictly banned.

Zhang: Apart from illegal purchase and resale of foreign exchange, we have seen various forms of Hong Kong-type "spiritual pollution" in Shenzhen. Do they still exist? For example, some people planned to build a race course in Shenzhen. Will they be allowed to build?

Liang: Shenzhen's standard of spiritual civilization is, after all, fairly high. Many people visiting here admitted that the general social mood and public security are pretty good here. Young people are eager to learn, and many people are studying in classes and correspondence universities. As for gambling, it is only an accidental phenomenon. That casino set up in Shenzhen Bay Hotel only existed for 10 days. That was a problem involving an individual unit and, moreover, we dealt with the problem as soon as it was exposed. But some people are still obstinately quibbling over this case as if something very serious had happened in Shenzhen. In fact it was only a minor matter.

Zhang: Is Shenzhen seriously influenced by Hong Kong?

Liang: Generally speaking, the influence is slight. People going to discos and singers swaying on the stage, these are nothing surprising and we do not have to bother about them. In Shenzhen there will be no red light districts and no casinos. The government's attitude is firm on this. All these pollutants are not allowed to exist in Shenzhen.

Zhang: Then, are there especially frequent economic criminal activities in Shenzhen? It seems especially easy to take advantage of loopholes in Shenzhen.

Liang: Not necessarily. Now that the whole country is implementing the policy of opening up and engaging in the reform, the administrative system will take the time to become perfect, and we are in a process in which the new economic administrative structure is replacing the old one, bad people can easily take advantage of loopholes everywhere, and Shenzhen is not an exception.

Zhang: Do you not think that there are more opportunities in Shenzhen then elsewhere? Many high-ranking cadres' children are doing business in Shenzhen. There is much coverage of this in Hong Kong.

By the way, newspapers reported that Chairman Deng Xiaoping came to Shenzhen to attend the conference on the work concerning the special economic zones. Is this true?

The Reports Were Inaccurate and Liang Xiang Did Not Meet Deng Xiaoping

Liang: A reporter asked me this question 2 days ago. I told him I did not see Chairman Deng Xiaoping and I was not sure whether he had arrived in Shenzhen. Some people asked me whether I had given him a briefing -- how could I give him a briefing without meeting him?

Zhang: But this was a news item filed by some news agencies.

Liang: Then they may have made a mistake.

Zhang: Then Chairman Deng really did not come to Shenzhen?

Liang: I said I did not see him, I did not see him even at the conference on the work concerning the special economic zones. Reports abroad are not necessarily accurate.

Zhang: Inaccuracy is caused by a lack of information. Non-Chinese press cannot easily confirm their news reports here!

Liang: At least, their reports should be properly based.

Zhang: People say you are a member of the reform faction. That Shenzhen can continue to open its door is your victory.

Liang: For one thing, there are no factions. For another, I am not a member of the reform faction.

Zhang: There are no disputes over the opening policy and the conservative policy?

Liang: Sometimes there are different opinions on some work. This is nothing strange but a normal pheomenon. But there are no rival factions. People outside China always divide Chinese into factions. This indicates that they do not know the situation in China very well.

Zhang: People outside China have some basis for this point. Last year, Deng Xiaoping said: The establishment of the special economic zones is an experiment which may succeed or fail. It seemed that he had somewhat lost his confidence. At the very beginning he had fully affirmed the achievements made by the special economic zone. So people outside China wonder if Deng Xiaoping has been faced with pressure.

Emphasizing That There Are No Factions and the Opening and Reform Policy Will Be Upheld

Liang: Different statements are made under different circumstances and on different occasions. Comrade Deng Xiaoping made that statement before foreign guests who had just visited Shenzhen and kept on praising the special economic zone. The special economic zones were set up based on Comrade Deng Xiaoping's suggestion and the CPC Central Committee's decision. Anyway, he could not say: Yes, Shenzhen Special Economic Zone is good indeed. So he had to answer in a modest manner. In fact, he has been appreciating the achievements of Shenzhen Special Economic Zone all along. Last year, Shenzhen achieved tremendous success in economic construction, building of spiritual civilization, and party rectification. The opening policy and the reform are our long-term and steadfast national policies.

Zhang: Everybody hopes so. Thank you for granting me the interview.

Liang: I have been very frank. I hope you do not mind.

Zhang: It does not matter. I like to be frank. I have also been very frank, I'm afraid. Good-bye!

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ENVOY ADDRESSES GENEVA DISARMAMENT CONFERENCE

OW141720 Beijing XINHUA in English 1702 GMT 14 Feb 86

[Text] Geneva, February 13 (XINHUA) -- China today urged the United States and the Soviet Union to conduct disarmament negotiations in real earnest and reach agreement on the drastic reduction of nuclear armaments and the cessation of the arms race in outer space.

Speaking at the U.N. Conference on Disarmament here today, Qian Jiadong, China's disarmament ambassador and leader of the Chinese delegation, said that both sides have expressed their willingness "to assume their special responsibilities for disarmament and have agreed to take the lead in reducing arms," though their positions remain apart. "They have both stated as an ultimate goal to completely eliminate nuclear arms everywhere and set a 50-percent as their first target." However, he pointed out, the improvement of the situation "is still limited and falls far short of the world people's aspiration and the desire for peace and security." The arms race is continuing, the root cause of tension remains and the danger of war has not been removed, he added.

Ambassador Qian said that in order to achieve a genuine relaxation of the world situation and guarantee world peace and security, the United States and the Soviet Union "should take concrete actions, arrest their rivalries in the 'hot spots', conduct disarmament negotiations in real earnest and reach agreements on the drastic reduction of nuclear armaments and the cessation of an arms race in outer space, so as to create conditions for the realization of a world without nuclear arms." He reiterated China's view that "the fundamental approach to the prevention of nuclear war lies in the complete prohibition and total destruction of nuclear weapons", and recalled a proposal put forward by China at the U.N. second special session on disarmament with the aim of achieving this goal step by step.

Since the nuclear capabilities of both the USA and USSR have long since exceeded the level of "over-kill," the ambassador noted, "there will still be enough nuclear weapons to destroy the world more than once even if their arsenals are cut by half." Therefore, he said, China has proposed that all nuclear states, the two big nuclear powers in particular, "should undertake not to be the first to use nuclear weapons in any circumstances and should unconditionally undertake not to use or threaten to use nuclear weapons against non-nuclear states or nuclear-free zones. Proceeding on such a basis, an international convention prohibiting the use of nuclear weapons should be concluded, with the participation of all nuclear states."

On the issue of a nuclear test ban, the Chinese ambassador announced that if an ad hoc committee on nuclear test ban is established this year, "the Chinese delegation will participate in its work." On the arms race in outer space, Ambassador Qian said that development of space weapons can only further aggravate and escalate the arms race, bringing greater instability to the world. "The efforts to stop an arms race in outer space has reached a crucial juncture when something must be done. Otherwise, there will be no end of trouble for the future," he declared. Therefore, he added, China has proposed that "the United States and the Soviet Union should immediately stop the arms race in all its forms in outer space. All countries with a space capability should refrain from developing, testing or deploying outer space weaponry. An international agreement on the complete prohibition and destruction of outer space weaponry should be concluded as soon as possible."

Ambassador Qian suggested that at the present stage, the "de-weaponization of outer space" be made the primary objective in the efforts to prevent an arms race in outer space.

On chemical weapons, Qian said that it has entered the stage of developing and working out a draft convention on the complete prohibition of such weapons. However, he noted that "tremendous work has yet to be done, and divergences on some key issues still remain".

On conventional disarmament, he said that a conventional war is the most real threat and there exists the danger of a conventional war escalating into a nuclear war. Therefore, "the efforts for nuclear disarmament should be combined with that for conventional disarmament," he added. The Chinese ambassador concluded that "the danger of war still exists, but the forces deterring war are growing. We are confident that so long as the people of all countries united, cooperate and make joint efforts, world peace can be preserved."

DELEGATION ATTENDS UN CONFERENCE ON DRUGS

OW151602 Beijing XINHUA English 1433 GMT 15 Feb 86

[Text] Vienna, February 14 (XINHUA) -- The 9th special conference of the U.N. Commission on Narcotic Drugs today approved a resolution, proposing new measures to prevent drug abuse and combat drug trafficking in the world. The resolution on the drafting of the document "Guidance on the Drafting of an International Convention to Combat Drug Trafficking" covers 14 aspects concerning punishment to drug smugglers, supervision and management of narcotic drugs and cooperation among countries concerned. It includes identification, tracing, freezing and forfeiture of proceeds of drug trafficking; measures to monitor or control specific chemicals, solvents and precursors used in the illegal processing or manufacture of controlled drugs; and strengthening cooperation among countries to provide mutual legal and judicial assistance in cases relating to drug trafficking, and promotion of mutual assistance in investigative and presecutorial matters.

The resolution will be submitted to the 32th U.N. Commission on Narcotic Drugs for approval. Delegates from the 40 member countries of the commission including China pointed to the aggravating drug abuses and the new means of drug smuggling. They agreed that a new treaty on combating drug trafficking is necessary as the basic contents of the "treaty on narcotic drugs, 1961" and the "treaty on psychological drugs, 1971" are no longer sufficient to cope with the present situation. The Chinese delegation, which attended the conference for the first time, expressed its support for the drug control efforts, proposing that supervision and control on some chemical products related to drugs should also be applied and the cooperation between judicial departments and commercial companies should be strengthened. The conference is scheduled to close on February 21.

PRC, INDIA TO HOST FOOD POLICY WORKSHOP

OW171338 Beijing XINHUA in English 1321 GMT 17 Feb 86

[Text] Beijing, February 17 (XINHUA) — A workshop will bring 25 African food policy specialists to India and China for the first two weeks in May, announced Alain Vidal-Naquet, head of the office of the World Food Council, at a press conference here today. The workshop, to be organized by the World Food Council, will enable African food policy-makers to review the experience of their Asian counterparts in the area of food production and consumption issues. It is arranged "in the light of the remarkable progress made by Asian countries in increasing their food output and the ongoing efforts of the African countries to overcome their food crisis and move progressively toward food self-reliance," said Alain Vidal-Naquet. China and India have invited the World Food Council to hold a workshop in their countries and will provide a forum for a frank exchange of views between food policy-makers of the two regions.

The two countries have taken policy measures leading to a dramatic increase in food production. India, which had to import ten million tons of grain in 1966 to avert food disaster, now possesses substantial food reserves (30 million tons). In China, grain production went up from 304 million tons in 1978 to 407 million tons in 1984. Topics at the workshop will include agricultural research, training, price policies, producer incentives, water management and irrigation technology, and special programs to reach vulnerable groups still facing malnutrition or hunger. The workshop was called for at the eleventh ministerial session of the World Food Council (Paris, June 1985) as part of inter-regional co-operation among developing countries. The workshop will also be attended by Asian experts and representatives of international organizations concerned with food issues.

LUO YI PRESENTS STATEMENT AT AFRO-ASIAN SEMINAR

OW130644 Beijing XINHUA in English 0636 GMT 13 Feb 86

[Text] Baghdad, February 12 (XINHUA) -- The "Afro-Asian Seminar on Role of Trade Unions in Development" under the auspices of the Arab Labour Organization closed here today after ten days' meeting. Trade Union representatives from 18 Afro-Asian countries attended the seminar. Iraqi Minister of Labour and Social Affairs Babakr Mahmud Rasul and leading members of the Arab Labour Organization attended the inauguration of the seminar.

Chinese trade union representative Luo Yi said in his written statement that the principal task of the Chinese trade unions is to mobilize and organize the workers to participate in the national economic and social development and to work for China's socialist modernization. The African trade union representatives criticized the Western countries and the international fund organizations for discriminations against the African developing countries. They reiterated their determination to develop their economy by relying on their own efforts and resources. The seminar also discussed the economic development of Iraq, the cooperation between Afro-Asian trade unions, and the cooperation between Arab and African countries.

WAN LI AWARDED OLYMPIC ORDER FOR CONTRIBUTION

OW130808 Beijing XINHUA in English 0731 GMT 13 Feb 86

[Text] Geneva, February 12 (XINHUA) -- The International Olympic Committee (IOC) has decided to award Chinese Vice-Premier Wan Li a gold Olympic order for his contribution to the Olympic Movement in thr world's most populous country. The decision was made at a three-day meeting of the IOC executive board which ended in Lausanne today. The meeting also decided to confer Huang Zhong, vice-chairman of the National Olympic Committee of China, a silver Olympic order. The IOC by another dicision will award a Olympic cup to the National Olympic Committee of China for its efforts to help build up sports facilities in developing countries, African countries in particular.

LI PENG GREETS ANTARCTIC SURVEY STATION

OW160219 Beijing Domestic Service in Mandarin 0200 GMT 15 Feb 86

[Text] Vice Premier Li Peng recently cabled all comrades at the Chinese antarctic survey station, who are far away from their motherland and their relatives. In the message, Li Peng extended his festive greetings to them and wished them greater success in their survey work.

FORMER U.S. ENVOY ON 'STABLE BASIS' OF TIES

OW170800 Beijing XINHUA in English 0735 GMT 17 Feb 86

[Text] New York, February 16 (XINHUA) -- Former U.S. Ambassador to China Arthur Hummel said today that U.S.-China relations had entered a more mature stage and future ties would be marked by continuing stability. Addressing the closing session of the China-in-Transition conference being held in Columbia University, New York, the former ambassador said: "We are now on a sounder and more stable basis in our bilateral relations than we have ever been," and, "we are understanding each other better than we've ever been. Consequently, we are less likely to make mistakes, and mistaking judgement about consequence of our actions and our demands on each other. We are freer from illusion."

He went on to trace the causes of the changes. China, he said, has been pursuing an independent foreign policy for many years. The parallelism manifested in the U.S. and China policies in 1970s "is now less visible, as China largely supports the Third World policies and therefore often is sharp and vocal disagreement with some of the policies of the United States," he explained.

China is now seeking normal relations with the Soviet Union and reduction of tension following 25 years of confrontation, he said, adding, "We do not see that the U.S. interests are threatened by this. China is far away from a policy of equal distance between Moscow and Washington, as some have asserted."

Hummel told the conference that Chinese are now determined to reform and revitalize their country, they need outside capital, managerial skills and technology as well as a peaceful environment. It is in the U.S. interest that "we want to see China integrate with the West economically, and we see opportunity for mutually beneficial trade," he said.

The three-day conference was sponsored by the Columbia University in association with other institutions including the Asia Society. Speakers at the conference focused on China's social, economic and political development over the past few years. Hummel said he was encouraged by the flourishing economic and cultural exchanges between the two countries. At present, he said, the United States is China's third largest trading partner, next only to Hong Kong and Japan, accounting for about 15 percent of China's total foreign trade a year. Future prospects are bright as the two countries have many areas that offer opportunities for cooperation. But he conceded, that there are still obstacles that should be overcome. He shared the widespread Chinese complaints that the U.S. Government has failed to fulfill its promise to liberalize export control with regard to China. "I am sure," he said, "U.S. interest is served by further liberalization." Hummel did not agree with some in Washington who believed that if U.S. does not sell a particular piece of advanced hardware, China then can not acquire it from any other country.

One disagreement between China and the United States is Taiwan. He said the issue of Taiwan should be solved by the Chinese themselves. The U.S. should abide by the relevant joint communiques. He said the Taiwan issue has proven to be manageable and would not get out of hand. Commenting on China's reform, Hummel noted that the reform was successful and progress visible. "It was natural that in such a far-reaching effort to reform China's system there will be some unseen problems, corrections and strains," he added.

Hummel did not agree with some foreign commentator who, he said, "exaggerated the significance of the different point of views in China. I know of no person or faction in China who is willing to proceed in a fundamentally different direction -- a direction that would close the Chinese door to the outside world." "I believe that we will continue to see steady and stable Chinese policies and there is agreement among all the Chinese leaders that the main lines of the present reform should be continued." Hummel concluded.

INVESTORS PROFIT FROM XIAMEN ECONOMIC ZONE

OW151752 Beijing XINHUA in English 1626 GMT 15 Feb 86

[Text] Xiamen, February 15 (XINHUA) -- Investors from the United States have found that they can make profits in the Xiamen Special Economic Zone (SEZ), Fujian Province. Four Sino-U.S. joint ventures or cooperative businesses have gone into operation since Xiamen became an SEZ six years ago to offer foreign firms preferential treatment, local official Li Changjiang said here. He cited the Xiamen tobacco factory, a joint venture with the Reynolds Tobacco International Company of the U.S., as one of the successful ones. The factory has sold 30 million yuan (about 10 million U.S. dollars)-worth of "Camel" brand cigarettes in China since its inauguration in October 1980, said factory official Hong Guoxun.

Reynolds has decided to invest 10 million U.S. dollars in a new joint venture -- the Huamei (Sino-U.S.) Cigarette Company -- with the Xiamen authorities. The new company is to open later this year and will produce 30,000 cases of "Camel", "Winston" and "Salem" brand cigarettes a year, one-sixth of which will be for export. The Xiamen beverage factory, a cooperative business with the Coca-Cola company, has turned out 27 million bottles of soft drinks since going into operation in October 1984. As a result, it earned 800,000 U.S. dollars in profits in the first year, a factory official said. The Xiamen pleasure boat comapny has co-produced 32 yachts for export with the Celestial Yacht Company, earning 4.? million U.S. dollars. Another Sino-U.S. cooperative business building radar equipment has earned more than half a million U.S. dollars in profits in 18 months.

"U.S. firms had invested about 21.7 million U.S. dollars in 10 joint ventures and cooperative businesses by the end of last year," Li Changjiang said. Areas of cooperation include production of microprocessors, cancer testing agents, dinner sets, bricks and paint, as well as international technical consultancy services. In addition. U.S. firms have transferred 20 items of technology to Xiamen, Li said. The biggest deal, woth 134 million U.S. dollars, involves technology for making color-sensitive materials transferred by the Kodak company, he added.

CRITICISM OF POPULATION POLICY REFUTED

OW161343 Beijing in Mandarin to Taiwan 0130 GMT 16 Feb 86

["State Affairs Forum" talk by (Liu Wei)]

[Excertps] Listeners and friends: Planned parenthood is an issue that affects not only women's rights but also determines the rise or fall of a nation and the future of a country. Therefore, the government of our motherland regards planned parenthood a basic national policy.

China's policy on planned parenthood has won wide acclaim the world over. However, it has been distorted and attacked by the United States. The U.S. International Development Agency issued a statement on 25 September 1985, distorting China's population policy and falsely accusing it of practicing forced abortion, and announced its decision to withhold $10 million of its pledged contribution to the U.N. fund that year. A spokesman of the Chinese Foreign Ministry and China's State Family Planning Commission strongly condemned the United States for wantonly interfering in China's internal affairs. World public opinion also expressed dissatisfaction over the U.S. action in this regard. (Zaitons), general secretary of the UN Fund for Population Activities, issued a statement refuting the U.S. attack on China's population policy. UN Secretary General Perez de Cuellar also openly expressed disappointment over the U.S. decision.

I am sure that you listeners are also concerned about this sensitive issue.

China has made rapid progress in the development of its national economy. Total grain output in 1985 reached 650 billion jin, a 94 percent increase over 1953. However, the per capita grain share increased by only 14 percent during that period. Although China's total grain output exceeds that of the United States, its per capita grain share is much lower.

China's rural population has increased every year, but the acreage of arable land remains the same. The increase of urban population has brought many problems in housing, transportation, education, employment, and public health. Bitter facts have made people realize that solution of the population issue brooks no further delay.

Listeners and friends: China has promoted family planning since the beginning of the 1970's, suggesting that a family could have only two children. After that, population experts conducted a study showing that China's population would reach 1.3 billion by the end of this century if a family has two children on average and that population growth like this would continue for another 70 years. This estimate forced China to readjust its policy on planned parenthood. At the end of 1979, it put forward its policy of one family, one child. In areas inhabited by people of minority nationalities, flexible family planning policy can be implemented according to local economic and social conditions.

Listeners and friends: China's policy on planned parenthood has been formulated on the basis of ideological education among the masses. In order to achieve the planned parenthood goal, China has mobilized all forces in society and made use of all kinds of propaganda to give wide publicity to the significant meaning of birth control and to disseminate theories on population and common knowledge on childbirth, birth control, and eugenics.

At the same time China has adopted a number of specific measures giving preferential treatment to families with one child only. For example, the government provides single-child families with a monthly subsidy. Preferential treatment is given to children from single-child families for entering childcare centers and schools, receiving medical treatment, and looking for jobs. Right now, the policy on family planning is known to every family throughout the country. It has become the conscious action of the broad masses of young people.

KANG SHIEN AT OIL EXPLORATION SIGNING CEREMONY

OW180758 Beijing XINHUA in English 0736 GMT 18 Feb 86

[Text] Beijing, February 18 (XINHUA) -- The China National Offshore Oil Corporation (CNOOC) signed a contract here today with Amoco Orient Petroleum Company for oil exploration and development of a block in the Pearl River mouth basin of the South China Sea.

It is the sixth contract signed since the second round of bidding for Sino-foreign joint oil undertaking offshore China began in November, 1984. The contract area covers an area of 639 square kilometers, and is about 220 kilometers off the Shenzhen Special Economic Zone in Guangdong Province. Water depth is about 120 meters. Amoco Orient also participated in China's first round of bidding for its offshore oil program (1982-1983), and a contract area awarded to the company then is adjacent to the area awarded today.

The signing ceremony was held in the Great Hall of the People. The contract was signed by CNOOC President Qin Wencai and Amoco Corporation President H. Lawrence Fuller. The ceremony was attended by State Councillor Kang Shien, Petroleum Minister Wang Tao, and U.S. Ambassador to China H.E. Winston Lord. Kang Shien met with Mr. Fuller and his party prior to the ceremony. Six petroleum contracts signed with 12 companies from five countries in the second round of bidding cover a total area of 34,012 square kilometers.

REAGAN'S ADVISERS ARGUE RESPONSE TO GORBACHEV

OW152108 Beijing XINHUA in English 1909 GMT 15 Feb 86

[Text] Washington, February 15 (XINHUA) -- President Ronald Reagan's arms-control advisers are urging him to respond positively to Soviet leader Mikhail Gorbachev's initiative on nuclear disarmament, but they remain divided over what new elements to include in the positive response. According to today's WASHINGTON POST, Reagan's senior advisers met yesterday but remained divided over the elements of the "positive" response to Gorbachev's latest arms control proposal.

Yesterday's meeting was called at the State Department to hear reports from special U.S. envoys Paul Nitze ar Edward Rowny on their recent consultations with some West European and Asian countries on possible U.S. response to Moscow. The Soviet leader urged in a statement on January 16 that both countries reduce the number of missiles in Europe to zero, linking the reduction to a freeze of British and French nuclear systems and a U.S. pledge not to transfer nuclear systems to European allies. The ASSOCIATED PRESS today quoted a senior U.S. administration official as saying that disagreements among the Pentagon, the State Department and the Arms Control and Disarmament Agency (ACDA) remained but an agreement on recommendations to the President was reached.

The State Department and ACDA were reported to stand for a U.S. proposal to eliminate U.S. Pershing II and ground-launched cruise missiles and Soviet SS-20 and SS-4 intermediate-range missiles in Europe. The Defense Department, however, was reluctant to make any positive response to Gorbachev's proposals, arguing that they are linked to unacceptable provisions and thus have only propaganda value. Nevertheless, the official said, "there is general agreement, without getting into the details, we should respond in a positive vein to the Gorbachev initiative."

SOVIET JOURNAL CITED ON SOCIALIST STATE RELATIONS

HK141023 Beijing WENZHAI BAO in Chinese No 283, 2 Feb 86 p 4

[Article from 13 January LILUN XINXI BAO [Theory Information Journal] by Li Fangzhong: "Soviet Union Studies New Trends in Relations Between Socialist States"]

[Text] The No 5 issue of the magazine RABOCHIY KLASS I SOVREMENNY MIR, published in the Soviet Union last October, carried an article entitled "Political Relations Among Socialist States." After dwelling on the process of development of the relations among socialist states, the article pointed out, with the current situation in mind: "In interstate relations among fraternal countries, we must correctly understand and acutally realize the socialist principle of relations among partners. It is very important that we clearly recognize the fact that, in our approach to the establishment and perfection of democratic principles in this area, we must follow a pattern different from that in the domestic field. It is common knowledge that, given a new system, a reliable guide to the development of the whole system of social relations is democratic centralism. But such an interpretation is correct only within the confines of a society. In the field of interstate relations between socialist countries, democratic centralism does not determine the nature and future of such relations."

In light of relevant writings in the Soviet Union, the article also pointed out: "To attempt putting the essence of socialist internationallism in terms of the relations between what is more important or less improtant, or to put forward something like subordinating the principle of respect for the sovereignty of socialist states to another, more exalted principle concerning their mutual relations -- the principle of unity -- this, it seems, is open to doubt. Such an interpretation smacks of not having seen or of having overlooked those processes that have taken place in the world socialist system and in new international relations. These processes call for harmoniously combining the national and international factors in the development of socialist countries and especially in their mutual coordination, and not doing so with distinction between what is more important or less important."

BEIJING RUSSIAN CRITICIZES USSR ON AFGHANISTAN

OW141157 Beijing in Russian to the USSR 1800 GMT 13 Feb 86

[Unattributed commentary]

[Text] Recently, Soviet offfials have said in relation to the Afghan question that supposedly the situation has already returned to normal, and that the Afghan question will disappear naturally within 3-5 years. This is an unadulterated lie. By fabricating these lies the Soviet Union is pursuing a goal that will extricate it from growing isolation on the Afghanistan question and create an excuse for continuing its military presence there.

According to this statement by the Soviet Union, the serious question of Soviet aggression against Afghanistan no longer exists, the struggle of the Afghan people against aggression has ceased, and the people of the world no longer have any cause to watch this world hotspot. However, this statment by Moscow officials is without foundation, for the situation in Afghanistan is far from normal. There is only one criterion for normalization in this country: Has the indepdence, sovereignty, and nonaligned status of Afghanistan been restored? The Afghan question arose as the result of aggression by and interference of the Armed Forces of the Soviet Union, a superpower against one of the weak, independent, sovereign, and nonaligned neighboring countries of the Third World.

The exceptionally abnormal and serious situation in this country threatens security and stability in this region and Asia as a whole. The armed aggression of the Soviet Union brought unprecedented calamity to the Afghan nation. Hundreds of thousands of Afghans were brutally murdered, numerous villages were turned into ruins, a large part of peasant lands were laid waste, and the people are suffering. Moreover, nearly a quarter of Afghanistan's population was forced to leave their homeland to escape abroad and become a heavy burden to neighboring countries. Today, 120,000 Soviet troops are still in Afghanistan. With the help of airplanes, tanks, and cannons they daily exterminate the peaceful inhabitants of Afghanistan, violating the independence and sovereignty of this country. Can this sad situation in Afghanistan be called normalized? The protrayal by the Soviet authorities of their aggression and murder as a normal course of events was the very thing that betrayed their hegemonic nature.

Insisting that the Afghan question will resolve itself in 3-5 years, the Soviet Administration wishes only to suggest that its forces of aggression will not only remain in Afghanistan in the future, but will also be able to destroy the Afghan resistance forces in a short period of time. All aggressors always underestimate the strength of the people and overestimate their own strength. From the first day of the Soviet Union's armed invasion, the Afghan people rose to struggle against aggression. They did not bow their heads before the tyranny of hegemony.

The flame of the resistance struggle is raging across Afghanistan. The resistance of the people has caused great manpower and material losses to the aggressors. Now there are only some large and medium-size cities and main communication lines remaining under their control, and even in these places they often suffer partisan raids. Afghan resistance forces have not been destroyed and are even constantly growing in strength and size. They now number over 100,000 persons. The solidarity of resistance organizations is growing stronger. Resistance organization leaders and fighters have often firmly said they will continue to struggle in the name of the country's independence until the last drop of blood is shed, or until Soviet aggressors are expelled from Afghan territory.

The Soviet Union failed to subdue Afghanistan in the past and it will not achieve this aim in the future. If the Soviet Union does not stop armed intervention, the Afghan problem will not be solved and it will not disappear on its own. The only way to restore a normal situation in Afghanistan and solve the Afghan problem is through immediate, complete, and unconditional withdrawal of Soviet troops from Afghanistan in accordance with UN General Assembly resolutions and with Afghan people deciding their own destiny.

The Soviet Union has also spoken of its readiness to solve the Afghan problem through political means. But it obstinately refuses to withdraw its troops. If the Soviet Union is sincere, it should take practical steps on this issue and not resort to fabricating lies and deceiving itself and others.

TASS ON U.S. ATTEMPT TO ANNEX TRUST TERRITORIES

OW150758 Beijing XINHUA in English 0746 GMT 15 Feb 86

[Text] Moscow, February 14 (XINHUA) -- The official Soviet news agency TASS today accused the United States of attempting to annex two parts of its trust territory in the Pacific by approving an agreement on "free association" of Washington with them. TASS said that the signing of a congressional bill by U.S. President Reagan on "free association" between the United States and the Marshall Islands and the Federated States of Micronesia in the Pacific concluded its four-decade-long "forced transformation" of Micronesia into its "neo-colonial possessions." The move is "in evident violation of international law," it said.

Located in the west Pacific, Micronesia consists of more than 2,000 isles. In 1947, the United States was granted a mandate to administer Micronesia as a U.N. trust territory. The mandated territory is composed of four political entities -- Marshall Islands, Federated States of Micronesia, the Marianas Islands and the Palau Islands. Of these, the Marianas opted to become a U.S. commonwealth. The other three initialled a compact of free association in 1980. The compact gives self-government to the peoples of the islands, but the U.S. retains absolute authority over defense.

The United States, TASS charged, instead of promoting the political, economic and social progress of Micronesia, "has done everything to deny the Micronesian people independence, sovereignty and the possibility of self-determination." It complained that Micronesia's "self-sufficiency is currently far lower than during the initial period of the trusteeship and that the United States had transformed the territory into a "military place d'armes." It said that the agreements give Washington exclusive control of the territories' military, external and economic affairs. "Any change in the status of a strategic trust area" should be made only by a decision of the U.N. Security Council, TASS stressed,adding that it therefore "cannot be effected by the administering power." The United Nations, the statement said, should ensure the exercise by the Micronesian people of their natural right to establish a united independent state.

PRAVDA ANSWERS LETTERS ON 'UNHEALTHY TENDENCIES'

OW141134 Beijing XINHUA in English 1118 GMT 14 Feb 86

[Text] Moscow, February 13 (XINHUA) -- Many Soviets have sharply criticized the unhealthy tendencies within the CPSU including the special privileges enjoyed by high party officials. The Communist Party organ PRAVDA published today a roundup of readers' letters in the columns "preparing for the Party's 27th National Congress" which is to open on February 25.

A worker said in his letter that between the party Central Committee and the working masses there is "an inert, sluggish and sticky administrative stratum" which is opposed to any fundamental changes. Some readers pointed out that special shops, restaurants and hospitals for high officials "in fact exacerbate social inequality." They claimed that "leaders can enjoy higher salary but no other privileges." They held that these leaders will not easily give up their privileges. Therefore, it is necessary to have a "fundamental purge" of the Soviet apparatus.

Referring to readers' criticisms of bureaucracy and cases of corruption by party and government officials, PRAVDA said that "it is a very difficult thing to change our life. There are and will be diehards and backward elements, gossipers, bureaucrats and corrupt officials on our way ahead. These people pay lip service to party resolutions but are actually afraid of reforms. So they are trying by hook or by crook to slow our movement ahead."

S. KOREAN OPPOSITION CALLS FOR NEW CONSTITUTION

OW160716 Beijing XINHUA in English 0643 GMT 16 Feb 86

["Round Up: South Korean Opposition Parties Call for Revision of Contitution (by Gao Haorong)" -- XINHUA headline]

[Text] Pyongyang, February 15 (XINHUA) -- South Korean opposition parties have recently initiated a campaign to collect ten million signatures to press for revision of the constitution enacted by the Chon Tu-hwan authorities on October 22, 1980. The current Constitution was put into force at a time when the emergency martial law, enforced after the assassination of "President" Pak Chung-hui, had not been lifted. Earlier, on May 18, an uprising broke out in Kwangju City. Some 200,000 people demonstrated against the emergency martial law. In the nine-day struggle, 170 people were killed, 380 others injured and another 1,000 were arrested. Meanwhile, many people in the political circles were purged and prohibited from taking part in all political activity.

Under the Constitution, the administrative, legislative and judicial powers were placed in the hands of the "president". On February 25, 1981, Chon Tu-hwan was elected "president" by the so-called presidential electoral college. Ever since its adoption, the Constitution has been rejected by opposition parties and the majority of people in South Korea. The New Korea Democratic Party (NKDP), the No 1 opposition party, has been calling for "direct presidential elections" since its founding on January 18, 1985. On February 12 this year, the NKDP and several other democratic groups launched a signature drive as part of the efforts to press the Seoul authorities to revise the Consititution. Democratic personages Kim Tae-chung, Kim Yong-sam and NKDP President Yi Min-u were among the first 300 people to sign their names.

A joint statement issued by the NKDP and the Council for the Promotion of Democracy said that the Consititution was drawn up and promulgated in an undemocratic way and therefore lacked legitimacy. The signature campaign has won wide support from other opposition parties and students. Seoul University and many other schools of higher learning have established Constitution revision organizations. On February 4, more than 1,000 students from 14 universities in Seoul set up an alliance in support of the signature drive. However, the requests by the opposition parties and the public have been rejected by the ruling Democratic Justice Party headed by Chon Tu-hwan. In his new year speech, Chon said the discussion of the Consititution revision issue would be postponed until 1989, and claimed that direct presidential elections did not fit in with South Korea. Therefore when the signature campaign started last Wednesday and tended to spread to other parts of South Korea, the Seoul authorities began to crack down on the campaign. They put Kim Tae-chung under house arrest and forced Kim Yong-sam to leave the place for signature. The police ransacked the sponsors' offices and confiscated documents there. The people in charge of the campaign were also arrested. In addition, the authorities claimed that they would make an investigation on all the people involved in the campaign and punish them according to "law." The Seoul authorities have been intensifying their control over universities these days. The schools' contacts with outside are banned.

Despite the authorities' measures of suppression, opposition parties refuse to give up their struggle for democracy. Kim Yong-sam, who condemned such suppression as the same as "imposing martial law," told reporters that in fighting for democracy, he fears neither imprisionment nor death. After Kim Tae-chung was arrested, hundreds of people from various circles including his brother demonstrated against the "government's" atrocity. The NKDP demanded that the authorities stop persecuting Kim Tae-chung and declared that it would continue its struggle for "direct presidential elections."

JAPAN'S MIYAKE ISLAND PROTESTS U.S. BASE

OW151754 Beijing XINHUA in English 1633 GMT 15 Feb 86

[Text] Tokyo, February 15 (XINHUA) -- About 1,500 Miyake islanders today protested against the government's efforts for constructing a night landing practice base for the U.S. Navy, according to the local press.

A group of Diet (parliament) members of the ruling Liberal Democratic Party (LDP) were met by about 500 local protestors when they arrived at Miyake airport this morning on mission relating to the base project. The Diet members led by Masayuki Fujio, chairman of the LDP Policy Affairs Research Council, later inspected the Ako District of the island, where the planned base is to be constructed. About 1,000 people staged a second protest. The mayor of Miyake, Harno Terasawa, is a prominent opponent of the project.

Fujio said at a press conference today that the government and the LDP "are ready to do anything" for local people in exchange for construction of the base. 100 billion yen (about 53.7 million U.S. dollars) will be made available if necessary. He hoped the issue could be settled before the Tokyo summit of seven industrialized countries scheduled for May when U.S. President Ronald Reagan comes. Miyake is a small Pacific Island located about 180 kilometers south of Tokyo. The United States has been asking Japan for a new airport for night landing practice as the present U.S. Atsugi Base in Kanagawa Prefecture is "unsuitable." Japan pledged to make an alternative base.

U.S., JAPAN BEGIN 9-DAY JOINT MILITARY MANEUVER

OW171635 Beijing XINHUA in English 1502 GMT 17 Feb 86

[Text] Tokyo, February 17 (XINHUA) -- Japanese Ground Self-Defense Force (GSDF) and the U.S. Army today began a nine-day joint maneuver on snow-covered ground at a training field in Kamifurano on the Japanese island of Hokkaido, the Japanese KYODO NEWS SERVICE reported. This is the second winter drill for the GSDF, following a joint drill with the U.S. Marine Corps last winter.

Participating in the drill are a GSDF company of about 170 men from Rumoi, Hokkaido, a company of about 130 U.S. soldiers from Hawaii and 11 U.S. Green Berets from Okinawa. The maneuvers include ski training, live shell firing, liaison, and outdoor survival training. Meanwhile, the report said, the Japanese Air Self-Defense Force and U.S. Air Force units stationed in Japan also began a five-day joint exercise at the Japanese military base of Nyutabaru.

'VIETNAMIZATION' OF CAMBODIA SINCE 1979 OUTLINED

OW171444 Beijing XINHUA in English 1431 GMT 17 Feb 86

["Roundup: The Vietnamization of Kampuchea" -- XINHUA headline]

[Text] Beijing, February 17 (XINHUA) -- Although the Vietnamese have failed to wipe out the Kampuchean resistance forces on the battlefield during the past seven years, they have tried all means to Vietnamize the country.

In 1979, a "Kampuchean Workers Committee" was installed by the Vietnamese authorities to control various government and party organs of the Heng Samrin regime. Since 1980, Vietnam extended its control to the provincial level by sending a division of troops to each of the 19 Kampuchean provinces and adopting them as "sisters cities". In recent years, the Vietnamese have trained officers of the Heng Samrin regime in an effort to win their loyalty and purged dissidents in the government and party organs. Hanoi has also encouraged mass emigration to Kampuchea in an attempt to change its population structure. At present, the Vietnamese emigrants number in excess of 700,000. Further emigration of several hundred thousands is planned. Vietnamese in Phnom Penh make up more than 60 percent of the population.

Shops, companies and other services run by Vietnamese can be seen everywhere, especially along some key roads and some fertile areas. The Vietnamese occupation troops often force local people to share their houses and farmland with emigrants. The Vietnamese have also been forcibly indoctrinating Kampucheans into unconditional subservience to Vietnam. This is done by sending youths and children to Vietnam; forcing all schools to follow Vietnamese style education; and forcing Kampuchean students to study the Vietnamese language as the first foreign language and as a condition for entering a high school. The Vietnamese are also encouraging mixed marriages, especially among high ranking officers. The Battambang and Siem Reap Provinces alone are reported to have 10,000 persons of mixed blood.

A large amount of natural resources and products including rubber, lumber, grain, fish and pepper have been plundered by the Vietnamese in the past seven years. The Phnom Penh regime is virtually a branch institution of the Vietnamese Government, implementing the Vietnamization of Kampuchea.

SIHANOUK VOWS TO MAINTAIN UNITY WITH DK SIDE

OW160843 Beijing XINHUA in English 0835 GMT 16 Feb 86

[Text] Beijing, FEbruary 16 (XINHUA) -- Samdech Norodom Sihanouk, president of Democratic Kampuchea [DK], said he will maintain brotherly unity with the Democratic Kampuchea side, Radio Democratic Kampuchea reported today. In a letter sent by Sihanouk from Beijing on February 12 to Khieu Samphan, vice-chairman of Democratic Kampuchea and chairman of the Democratic Kampuchea side, and Son Sen, vice-chairman of the Democratic Kampuchea side, he said: "I pledge to maintain brotherly unity with the Democratic Kampuchea side in the sacred common struggle to liberate Kampuchea from the Vietnamese aggressors and colonialists."

The letter is in reply to the statement released by Khieu Samphan and Son Sen on the same day. The statement reiterated that the Democratic Kampuchea side's position on the roles of Samdech Norodom Sihanouk and his National United Front for an Independent, Neutral, Peaceful and Cooperative Kampuchea is unchanged. It reassured that Sihanouk is president of democratic Kampuchea and will remain so even after an eventual Vietnamese military pullout.

THAILAND TO DEPLOY NEW RADAR SYSTEM ALONG BORDER

OW150842 Beijing XINHUA in English 0815 GMT 15 Feb 86

[Text] Bangkok, February 15 (XINHUA) -- Thai troops will soon deploy a new radar system along the Thai-Kampuchean border, the local newspaper BANGKOK POST quoted informed sources as reporting today. The U.S.-made computerized equipment, called counter battery radar or "firefinders", can accurately pinpoint enemy guns and destroy them with just a few shells. It is capable of detecting mortars as well as artillery rounds fired from 105mm, 130mm, 150mm, 155mm, 175mm and eight-inch guns. By using the new mobile radars, Thai gunners will be able to pinpoint enemy artillery positions before the first wave of shells hit their targets.

The sources said that Thailand had ordered a number of firefinders last year and they would be delivered within the next two months. Thailand would be the first country in Southeast Asia to have such kind of sophisticated equipment. The sources also disclosed that 200 anti-tank missiles, launchers and other equipment were delivered to Thailand from the United States last January. The sources noted that the sale of advanced weapons to Thailand showed how much importance the United States placed on Thai security.

THAI MINISTER QUESTIONS VIETNAMESE GOOD WILL

OW161316 Beijing XINHUA in English 1301 GMT 16 Feb 86

[Text] Bangkok, February 16 (XINHUA) -- Thai Deputy Prime Minister Sitthi Sawetsila has pointed out that Hanoi's moves towards a political settlement of the Kampuchean issue are aimed at getting the world to accept the Vietnamese-installed Heng Samrin regime as a fait accompli. Sitthi, also foreign minister, made the remark in a recent exclusive interview with THE NATION REVIEW here.

"On the surface, Vietnam looks flexible, but as far as substance goes we have detected nothing new from the latest joint communique of the three Indochinese foreign ministers who met recently in Vientiane," Sitthi said. The Vietnamese "continue their military efforts to score further results but they are in a difficult situation in the field," he added. "The only thing we are concerned about now is the Vietnamization of Kampuchea," the minister stated. However, he noted, the longer the Vietnamese stay in Kampuchea, the stronger the anti-Vietnamese sentiment among the Kampuchean people will grow.

Sitthi said one of the reasons why the Vietnamese failed to launch a large-scale offensive against Kampuchean resistance along the Kampuchean-Thai border is that there are no targets on the border for the Vietnamese to attack as the resistance guerrillas have moved into the interior around Tonle Sap Lake. Other reasons included that Vietnam has sustained considerable damage and casualties as a result of the resistance activities and that it is waiting for an opportunity to negotiate a political settlement through diplomatic exercise.

HUANG HUA MEETS THAI CULTURE DELEGATION 14 FEB

OW141240 Beijing XINHUA in English 1212 GMT 14 Feb 86

[Text] Beijing, February 14 (XINHUA) -- Huang Hua, vice chairman of the Standing Committee of China's National People's Congress, met a Thai Government culture delegation led by Chuan Likphai, minister of education, here this afternoon. Both sides believed the visit of the delegation will promote the cultural exchanges between China and Thailand and enhance the friendship of the two peoples.

Present at the occasion were Zhu Muzhi, Chinese minister of culture, and Orachun Tanaphong, Thai ambassador to China. The Thai guests arrived here yesterday for a friendly visit to China at the invitation of Chinese Ministry of Culture.

COOPERATION ACCORDS SIGNED IN SINGAPORE

OW171615 Beijing XINHUA in English 1528 GMT 17 Feb 86

[Text] Singapore, February 17 (XINHUA) -- China and Singapore today signed cooperation agreements on tourism, civil aviation and exhibition. Liu Zhongyi, vice minister of the Chinese State Planning Commission and Lee Hsien Loong, minister of state of the Singapore Ministry of Trade and Industry, signed the agreements on behalf of their respective governments.

Also present on the occasion were Chinese State Councillor Gu Mu and Dr. Tony Tan Keng Yam, minister of the Singapore Ministry of Trade and Industry. Gu and his party arrived here for a visit on February 14.

FURTHER REPORTAGE ON PHILIPPINE ELECTIONS

Marcos Proclaimed Winner

OW151809 Beijing XINHUA in English 1707 GMT 15 Feb 86

[Text] Manila, February 15 (XINHUA) -- President Marcos and his running mate Arturo Tolentino of the ruling party were proclaimed by the National Assembly tonight as the winners in the February 7 elections. According to the tabulation of votes cast in the elections, Marcos garnered 10,807,197 votes against opposition presidential candidate Corazon Aquino's 9,291,716, and Tolentino garnered 10,134,130 votes compared to opposition candidate Salvador Laurel's 9,173,105.

Before the proclamation, the opposition members of parliament walked out of the chamber after they failed to stop passage of the motion proclaiming the two winners.

Dispute With Catholic Bishops

OW151815 Beijing XINHUA in English 1656 GMT 15 Feb 86

[Text] Manila, February 15 (XINHUA) -- President Marcos today termed the Catholic bishops' accusation of the government's fraud in the elections "most distrubing" and "truly regrettable", the PHILIPPINE NEWS AGENCY reported. The Catholic Bishops Conference of the Philippines (CBCP) issued a statement yesterday condemning the "unparalleled" fraudulence and irregularities in the polls and calling on the people to carry on "non-violent struggle" in the wake of the results of the elections.

In his letter to Ricardo Cardinal Vidal of Cebu, CBCP chairman, Marcos asked the CBCP to provide the government with a bill of particulars of charges raised by the church group. He said, "none of us can close our eyes to the dangerous implications of the biship's proposal for the people to carry out a non-violent struggle against the government." However, if in the effort to list down irregularities the government is forced to take action against any member of the church, that does not mean the government is fighting the church itself, the president said. "It is important to bear this in mind because of the great phenomenon during the recent elections of members of the clergy and the religious traversing the bounds of the law because of their partisanship," he said.

Minority Leader on Results

OW152123 Beijing XINHUA in English 1843 GMT 15 Feb 86

[Text] Manila, February 15 (XINHUA) -- Minority Floorleader Jose Laurel Jr. (opposition, Batangas), tonight told a news conference that the opposition is not happy with the proclamation of the two winners in the February 7 elections, the PHILIPPINE NEWS AGENCY reported. Laurel claimed that Mrs. Aquino actually won by 2.5 million votes and said he has documents to prove it. He added that the opposition will appeal to the Presidential Electoral Tribunal and is considering initiating impeachment proceedings against the officials of the Commission on Elections (Comelec). When asked whether the opposition would go back to the assembly after staging the walkout, Laurel said the opposition assemblymen are still entitled to this move. But he added they will consult first with their constituents, the PNA reported.

Opposition To Stage Protest

OW151608 Beijing XINHUA in English 1515 GMT 15 Feb 86

[Text] Manila, February 15 (XINHUA) -- The Philippine opposition is scheduled to stage a big rally for non-violent protest at the Rizal Park here at 3:00 p.m. tomorrow while Armed Forces Chief of Staff Gen. Fabian C. Ver today called an emergency meeting of all the major service commanders to discuss plans to deal with it. Lawyer Rene Saguisag said Mrs. Aquino will present a program of non-violent protest at the rally. He denied that the rally is intended to proclaim Mrs. Aquino president. "The rally is simply a people's victory rally and not a proclamation rally," Saguisag said.

Saguisag's denial came in the wake of reports that Mrs. Aquino is going to proclaim herself president, though her opponent of the ruling party, President Marcos, will be proclaimed officially by the National Assembly the winner in the February 7 elections. Earlier, President Marcos had said the government would continue to adopt a policy of maximum tolerance towards mass protest actions poised by the opposition. However, he warned that people committing such violations as stopping the delivery of goods or blocking traffic flow would be arrested and charged in court.

In an interview with newsmen upon his arrival from Baguio City, where he was guest of honor at the 81st anniversary of the Philippine Military Academy (PMA), Ver said one of the main issues in the meeting is to make plans for diffusing postelection tension prevailing in the country. He also reminded the major service commanders to alert their respective Civil Disturbance Control (CDC) units and contingency forces in connection with the scheduled opposition rally. An intelligence briefing was held "to assess the situation in view of the mounting tension" sweeping the country, particularly in Metro Manila, the PHILIPPINE NEWS AGENCY reported. Meanwhile, Ver instructed contingency elements and CDC units in Metro Manila not to bring guns during deployment and avoid confrontation with rallyists even as he placed all CDC elements under red alert. Ver denied the reported deployment of tanks and additional troops in Metro Manila as claimed by some opposition leaders.

Reagan Comments

OW160329 Beijing XINHUA in English 0313 GMT 16 Feb 86

[Text] Washington, February 15 (XINHUA) - President Ronald Reagan today called on the people of the Philippines to avoid violence and seek peaceful ways to bring about stability in their society, according to reports from Santa Barbara, California, where Reagan is having his holidays.

This was the U.S. President's first official reaction to the result of the Philippine election, which was announced yesterday by the Philippine National Assembly, declaring current President Ferdinand Marcos winner of the election. On the other hand, the Philippine opposition presidential candidate, Corazon Aquino, also claimed victory in the election and said that she would call a mass rally in Manila on Sunday to launch a nationwide campaign against President Marcos.

President Reagan said in a written statement, "We have followedwith great interest and concern over the presidential and vice-presidential elections in the Philippines. As the Philippines is a close friend and ally, what happens to this nation and its people if of great importance to the United States." He reaffirmed that the United States maintains "strict neutrality" in the Philippine election. He appealed to both Marcos and Mrs Aquino to "work together" to make reforms in order to insure a "stable democracy" in the country.

While claiming the elections were marked by "heartening evidence of the continuing commitment of the Filipino people to the democratic process", he said: "It has already become evident, sadly, that the elections were marred by widespread fraud and violence" perpetrated largely by Marcos' ruling party. It was so extreme that the elections' credibility has been called into question both within the Philippines and in the United States," he said. In the last few days, many political figures and public opinion in the United States have voiced complaints and criticisms against the reported widespread fraud in the Philippine election.

Habib Meets Marcos, Aquino

OW171712 Beijing XINHUA in English 1631 GMT 17 Feb 86

[Text] Manila, February 17 (XINHUA) -- Philip Habib, special envoy of U.S. President Ronald Reagan, met here today with President Ferdinand Marcos and opposition leaders separately to discuss the conduct of the February 7 presidential election in the Philippines. In a two-hour closed door meeting with Marcos, according to a presidential press, Habib told the president he is here merely to "make observations" especially on the information which both the administration and the opposition may be willing to give him on the matter of violence and fraud alleged to have marked the polls. In a statement, Marcos said he was assured by Habib that he was here not to render judgement on the conduct of the polls nor to make any suggestion on the running of Philippine internal affairs.

Later, Habib met behind the closed door opposition leaders Corazon Aquino and her running mate Salvador Laurel. Mrs Aquino's spokesman Rene Saguisag said the two opposition leaders impressed upon Habib that they won the election but Marcos and the ruling party cheated them of their victory. They also told Habib that the massive fraud and terrorism that characterized the election has converted the country into a virtual tinderbox which can explode any time in protest to the Marcos continued rule, Saguisag said. "The crisis can only be resolved by a swift and orderly transition to the Aquino presidency, which the Filipino people have chosen in the polls," Saguisag quoted the two leaders as saying.

SOVIETS' WINTER CAMPAIGN IN AFGHANISTAN VIEWED

HK170506 Beijing RENMIN RIBAO in Chinese 16 Feb 86 p 6

[Report by RENMIN RIBAO correspondent Shi Zongxing: "Our Correspondent Analyzes Winter Fighting in Afghanistan"]

[Text] Islamabad, 14 Feb -- The fighting in Afghanistan this winter has been marked by the following characteristics compared with the six previous winters: The Soviet Army has stepped up its military assaults, the Afghan guerrillas have courageously resisted them, the two sides have fought at close quarters, and fighting has gone on continuously. In the words of a man in the Afghan resistance: "The fighting this winter has been fiercer than in any previous winter."

There has been no marked increase in the number of Soviet troops sent to commit aggression against Afghanistan, but many advanced weapons have been shipped in, including new types of aircraft, long-range artillery, and heavy tanks. Tactically, apart from continuing to take advantage of its "air superiority" to bomb and indiscriminately strafe areas of rebel activity, the Soviet Army has, beginning last year, frequently sent small groups to make shock attacks against the guerrillas. People in the Afghan resistance say that the Soviet Army often first sends in special agents to make a reconnaisance. After they have gathered intelligence, they rapidly transport the well-equipped shock forces to the battle areas by helicopter. These "shock" tactics caused losses among the guerrillas for a time.

The spearhead of the Soviet assault this winter remains directed at the areas around major cities and major military bases, areas close to the eastern and western frontiers, and major lines of communications. However, they have particularly stepped up their attacks on key points in the east and southeast of the country, bordering Pakistan. The Soviet Army has both military and diplomatic aims in doing this. Militarily, it is attempting to blockade the border and increase the winter supply difficulties for the guerrillas, with the aim of trapping the guerrillas in the ice and snow. Diplomatically, it is putting pressure on Pakistan in a vain bid to force its government to give up its principled stand in the political negotiations. The recent move of the Soviet Army and the Karmal authorities in sending a large number of agents to infiltrate Pakistan and carry out terrorist activities is also a part of their military attack plans.

In the face of the enemy's military pressure and winter supply difficulties, the guerrillas remain in high spirits and have scored new success in launching widespread and ingenious guerrilla warfare. Daily battle reports received here since the beginning of winter indicate that guerrillas are active throughout the whole of Afghanistan, and from the central provinces, always relatively peaceful before, reports are continually coming in of guerrillas inflicting heavy casualties on the enemy. As far as the guerrillas are concerned, a notable feature this winter is that they have stepped up their fighting in the northern provinces close to the Soviet border and attacked military installations in the enemy's rear. This tactic of "harassing the enemy's rear" has to a certain extent checked the Soviet attacks in other areas of Afghanistan. Another special feature is that, while wiping out the enemy's vital forces, the guerrillas have attached great importance to capturing battlefield booty. Guerrilla attacks are largely concentrated on enemy supply columns, barracks, and warehouses, and the large amounts of weapons, ammunition, and food taken from the enemy have eased the guerrillas' winter supply problems. In addition, the guerrillas have made further progress in coordinating their actions and launching joint operations. They have also gained more experience in waging guerrilla war.

A Kabul radio broadcast at the beginning of this month confirmed in a back-handed way that the Afghan guerrillas' fighting this winter has been highly effective. The radio acknowledged that in 6 provinces alone, more than 500 Soviet-Karmal troops were killed by the guerrillas in January, while several hundred were taken prisoner. Although these figures have been understated, they still indicate that the guerrillas have inflicted tremendous losses on the enemy.

At present the Soviet winter offensive is still under way, and preparations for the spring offensive are also in progress. It is expected that when the winter is over, Soviet military attacks on the resistance forces will become even more intense and the guerrillas will face even more severe tests. However, the experiences of the past 6 years show that no matter how rabid the aggressors, it is impossible for them to subdue the entire Afghan nation by force of arms. The fighting in Afghanistan will remain stalemated for quite a long time to come, but its basic trend will be favorable for the resistance forces and unfavorable for the enemy.

Soviets Step Up Operations

OW171633 Beijing XINHUA in English 1530 GMT 17 Feb 86

[Text] Islamabad, February 17 (XINHUA) -- Afghan guerrilla commander Hakio Aryubi has said that the Soviets, while talking about troops withdrawal from Afghanistan, are stepping up military offensives in various parts of Afghanistan. In an exclusive interview with XINHUA here today, Aryubi said despite the severe winter, the Soviet troops have intensified their attacks on the Afghan mujahidin (holy war fighters) in Qandahar, Helmand, Herat, Balkh, Nangarhar and Paktia Provinces of Afghanistan since the beginning of this year.

The staunch guerrilla commander came from Jaji District of Paktia Province just one week ago, where he had led a successful operation to repulse a large-scale Soviet thrust to the district early this month. He said a big Soviet force pushed forward to 'Ali Khel, the district town of Jaji on February 2 in a bid to provide food, arms and ammunition for the Soviet-Karmal troops beleaguered there by guerrillas for a long time. After getting the information of the Soviet invasion, he said, over 1,000 mujahidin converged on the Jaji battlefield from different parts of Paktia Province. They succeeded in fighting back the Soviet troops after destroying 18 Soviet tanks and military vehicles at Hasan Khel and Skander Khel with mines and rocket fire. Aryubi said the fierce fighting lasted for several days. Many Soviet soldiers were wiped out, lots of food and military supplies captured by the guerrillas while 8 mujahids laid down their lives and a few others sustained injuries.

The current winter, the commander said, witnessed no slackening of Soviet operations even in the hilly regions where snowfall is up to one metre thick. However, they have failed to achieve their objectives. He said the guerrilla bases in Paktia Province have been strengthened and expanded. The guerrillas under his command are now equipped with more anti-aircraft guns and six wireless sets recently captured from the Soviet troops. Looking into the future course of the war in Afghanistan, the commander noted that it would be a protracted war. The Soviets will quit Afghanistan only when they are bled more on the battlefields, Aryubi observed. He also called for more international support to the Afghan mujahidin, both political and material, so that they can resist the Soviet troops more effectively.

RENMIN RIBAO URGES YOUTHS TO MAKE CONTRIBUTIONS

HK140728 Beijing RENMIN RIBAO in Chinese 6 Feb 86 p 1

[Commentator's article: "Make Contributions in the Practice of Four Modernizations"]

[Text] The times produce their heroes. The Chinese youth of the 1980's are a lucky generation. They are living in the great era of building the four modernizations, and the motherland calls on them to become useful people as early as possible. All ambitious young people would wish to make great contributions in the great drive of invigorating the Chinese nation and building the four modernizations.

Hown can the young become useful people? There have been many heated discussions of this question in recent years. Some stress young people's own efforts, while others stress objective environment. All their arguments are reasonable, but it seems that they have failed to stress one important aspect, that is, to become useful people, youths must have a correct political orientation and have a work style of closely linking themselves with practice and masses.

Since the 3d Plenary Session of the 11th CPC Central Committee, encouraged by the CPC Central Committee, "respecting knowledge and talented people" has become a prevailing custom of our times and a "study fever" and "attending school fever" has arisen among young people. This is an extremely good thing as well as a sign of our national invigoration, where the success of the four modernizations lies. However, the change from denigrating knowledge to respecting knowledge has just started, some necessary systems and measures have not yet been formulated; some people unduly stress diplomas or even equate diplomas with ability; and "study fever" became "diploma fever" for a while. Some young intellectuals have also been influenced by this practice. After they were assigned to their posts, some university graduates expended their main efforts not on their own work, but on studying foreign languages in order to study in graduate schools or abroad.

True, the construction of our country needs a great number of senior professionals. Studying in graduate schools to obtain a master's degree or a doctorate is a way to become useful, but not the only way. Only a handful of university graduates can attend graduate schools at present or in the future. Most university graduates have to study and upgrade themselves in their work and practice. In fact, many great scientists or scholars, ancient or contemporary, foreign or Chinese, achieved success by studying, researching, and struggling in practice. Even if one attends graduate school and obtains a masters degree or doctorate, he has to come back to practice, to continue his struggle, and to make contributions to the four modernizations. Only thus can he become a genuinely useful person. If a university graduate neglects his own work and pursues a higher diploma after being assigned to a practical post, it will be harmful to both the four modernizations and his own improvement.

Studying abroad and learning more advanced foreign science, technology, and management skills to serve the motherland is a good thing. As part of opening up to the outside world, we have sent students to study abroad in recent years, and great achievements have been made in this respect. In the future, we will continue to send some people to study abroad in a planned way. But only a handful of people have the chance to study abroad. The main duty of the inservice university graduates and graduate school students is to properly do their own work and earnestly study their own professions. This in the only correct road.

Young intellectuals have a feverish thirst for knowledge and wish to become useful people. This is very precious. But many people have been living among books, from primary school to secondary school and university to graduate school. What they know most is the achievements of famous people and the creation of individuals. They are thus apt to turn respecting knowledge into adoring famous people and ignore the role of the masses and practice. This shortcoming of young intellectuals can only be overcome when they go to the grass roots, go to the midst of practice, and go among the masses. Only by overcoming this shortcoming will they become genuinely useful people. A handful of university graduates now are unwilling to work in grass-roots units, believing that they cannot play their role there. In fact, no grand undertakings can dispense with grass-roots work. The grass-roots work in the four modernizations is an especially big furnace for tempering people and a good place to make contributions.

The motherland is calling, the times are calling, and the four modernizations cause is calling. High-minded young people -- go and practice, go among the masses, and go to the grass roots. China's new great scientists, inventors, politicians, economists, and other useful people will certainly emerge today. They are deeply rooted in practice, in the masses, and in the younger generation with ideals and knowledge.

ANTHICHEMICAL CORPS STEPPING UP MODERNIZATION

HK160600 Beijing ZHONGGUO XINWEN SHE in Chinese 1218 GMT 14 Feb 86

[Text] Beijing, 14 Dec (ZHONGGUO XINWEN SHE) -- China's antichemical corps has built an integrated Army organization with its own special school and research institute and has developed considerable antichemical warfare capability. At present, all combined military units at and above the division level have their antichemical branches.

The antichemical corps (in foreign countries, they are called the chemical corps) is a military branch shouldering the task of guaranteeing the conduct of military actions under the conditions of a nuclear, chemical, or biological battle. This military branch was established in 1950 in China. It has been maturing over the past 30 years and more. All equipment for observation, reconnaissance, protection, cleaning, and disinfection is produced by China. The properties of such equipment has reached an advanced level. In particular, convenient and well-ventilated protective clothing can be made by only a small number of countries.

The antichemical corps has participated in all of China's nuclear tests and has also successfully fulfilled the tasks of guarding the test plots and conducting various surveys and tests. During the self-defense battles against Vietnam, the antichemical troops effectively cooperated with the infantry troops in wiping out the enemy at short range. They destroyed more than 1,500 forts and strongholds of the enemy. After the Tanshan earthquake in the summer of 1976, the antichemical corps sent some 200 soldiers and 4 disinfecting cars to participate in the rescue action. They effectively controlled environmental pollution and prevented pestilence after the serious natural disaster.

At present, the antinuclear, antichemical, and antibiological training of China's combined military units is undergoing three major changes: They have shifted the emphasis of their training from learning general knowledge about nuclear and chemical weapons to mastering the tactics and techniques of resisting attacks by those weapons; from studying the organization and equipment of the enemy to studying the enemy's principles, methods, and opportunities for using nuclear and chemical weapons; from training in personal protection skills to training in organizational protection actions of whole Army units.

China is now reducing the number of ordinary troops and strenghtening special troops in order to raise the combat capacity of its Army. This is one of the purposes of the Chinese Army's streamlining and reform. As a special military branch, the antichemical corps is stepping up its modernization and the training of its commanders and soldiers. Sources in the antichemical corps said that they are making efforts to apply scientific achievements and new technologies and new materials to the development of highly efficient protective equipment, and they will intensify antinuclear and antichemical training so that the troops will be able to effectively fulfill all battle tasks in a future antinuclear war.

PLA DEPARTMENTS COMMEND AIR FORCE REGIMENT

OW161845Beijing XINHUADomestic Service in Chinese 1545 GMT 16 Feb 86

[Text] Beijing, 16 Feb (XINHUA) -- The PLA General Staff and General Political Departments recently issued an order commending the commanders and fighters of an Air Force transport regiment for taking part in an emergency airlift to deliver relief goods to armymen and people stranded in Xizang's Medong Prefecture.

The order, signed by Chief of General Staff Yang Dezhi and General Political Department Director Yu Qiuli, said: Due to successive torrential rains and snowstorms since last fall, roads in Xizan's Medong Prefecture were cut off, and the grain supply was running out. Many places in the prefecture lost communication with the outside world, and the people of various nationalities suffered all sorts of hardships. Upon receiving an order from higher authorities, the Air Force transport regiment immediately formed a group to deliver relief goods to Xizang. Using helicopters, the group continuously performed their mission in Medong Prefecture. Displaying the heroic and tenacious style of defying fatigue and struggling unswervingly, the commanders and fighters overcame altitude sickness, adverse weather conditions, and dangerous terrain to deliver large amounts of relief goods and personnel to areas stricken by disasters, thereby successfully accomplishing the mission.

The order pointed out: By using their helicopters to deliver disaster relief to the roof of the world, the regiment commanders and fighters have fully demonstrated the kind concern of the party Central Committee, the State Council, and the Central Military Commission for the armymen and civilians in the frontier areas. It is hoped that units that have taken part in delivering relief goods will earnestly review their experience and work harder to contribute more to safeguarding and building the frontier.

BAN YUE TAN ADDRESSES RURAL PARTY RECTIFICATION

HK130311 Beijing BAN YUE TAN in Chinese No 2, 25 Jan 86 pp 26-28

[Article by BAN YUE TAN political editorial office: "Questions and Answers on Party Rectification in Rural Areas (Part II)"]

[Text] Question: What are the requirements for a qualified party member? Whey must special emphasis be placed on the exemplary vanguard role of party members in the new historical period?

Answer: The requirements for a qualified party member are simply those set by the party Constitution. The exemplary vanguard role of party members is important in the new historical period. The major tasks of our party, which is in power, are to develop the economy and the forces of production. In daily work and life, party members endure contradictions between: overall and partial interests; collective and personal interests; long-term and immediate interests; and between becoming rich themselves and leading the masses to strive for common prosperity.

Party members must play an exemplary vanguard role in correctly solving these contradictions. Meanwhile, in the new historical period, another task of our party is to carry out reform. Under such circumstances, the situation is always changing; new problems crop up one after another and have to be tackled. Party members should, therefore make unceasing efforts to acquire new knowledge and stated at the forefront of reform. Only by so doing will they be able to guide the masses in the correct direction. This is why we must lay special stress on the exemplary vanguard role of party members in the new historical period.

Question: Why should we say that guiding the masses to strive for common prosperity is the main manifestation of the party's goal in the new historical period?

Answer: "Serving the people" should not merely be hollow words. They should be concretely manifested in many aspects. In different historical periods, the central task of our party is different, so the content of serving the people is also different. In the new historical period, the central task of our party is to lead the people of the whole country to build socialism, and the central task of primary party organizations and party members in rural areas is to build socialist modernization in the countryside. Changing the face of the rural areas as quickly as possible and leading the masses to strive for common prosperity are essential ingredients in serving the people in the new historical period. If a party member can set a good example in implementing party policies in rural areas and lead the masses to strive for common prosperity, this shows that he always thinks of the people's interests. His political consciousness is well-founded, and he is highly capable; thus he is qualified to be a party member.

Question: What should we do to acquire a correct party work style?

Answer: To this end, what is most important is that all party members, regardless of their position, should handle matters impartially and regard the interests of the party and the people above all else. Moreover, party member cadres in particular should take the overall interests into account and set an example within the party. Not only should they fully understand the importance of serving the people, but they should really do good turns for people. On the other hand, they should also have the courage to fight against all unhealthy tendencies and should not allow them to spread unchecked. Nor should they follow these tendencies at the expense of party principles.

Question: What should a party member do when trying to become a real model?

Answer: To achieve it, he should act in accordance with the following points:

1. Study hard, emancipate his mind, and work according to objective law. This requires a party member to fully understand Marxist-Leninist theory; acquire more cultural and scientific knowledge; regularly study party policies and current affairs; and have a good grasp of all necessary information. If not, he will have difficulty distinguishing between right and wrong under the new situation, and will fail to push reform and the commodity economy forward.

2. Attach importance to investigation and study and have a clear understanding of the situation so as to identify and tackle problems in good time. The situation in the rural areas changes very often, and we cannot size up the situation and do work well without investigation and study.

3. Dare to speak the truth. A party member should not tell lies under any circumstances. He should dare to report the real state of affairs to party organizations and have the courage to fight against the unhealthy trend within the party of failing to seek truth from facts. Those who hurt the interests of the party and the people through tellings lies in the past should make a conscientious self-examination and correct their mistakes in party rectification.

4. The aim of seeking truth from facts is being responsible for the people and the party. In terms of serving the people, this means that a party member should do the people more good turns. If a party member knows the actual conditions well and what measures should be taken, but he does not take any action, then his work style is by no means practical or realistic.

Question: How should party members play an exemplary role in observing discipline?

Answer: 1. Party members should always keep the interests of the party and the people in mind and safeguard party unity. They should be fair and square and observe discipline and state laws.

2. Party members should conscientiously study party policies and state laws so that they know what they ought and ought not to do, and what they can and cannot do. This will help them to judge what is right and what is wrong.

3. Party members should uphold the truth, cast away all considerations of pride, and dare to wage resolute struggle against all malfeasances. They should not act as those who try not to offend anybody and those who do everything through back-door relations.

4. Party members should deal with cases of malfeasance without delay and according to law and commend good observers of discipline and state laws so as to cultivate a strong sense of discipline and law. This is particularly important to leaders at all levels.

Question: Why should we say that the consolidation of leading bodies is the key to the building of primary party organizations in the countryside?

Answer: Apart from the might of its policies, the militancy of our party depends mainly on the strength of party organizations, and particularly the role of leadership. Long historical experience tells us that a good leading body has a direct bearing on whether the role of a primary party organization as a fighting bastion can be given full play or not.

Question: How shall we establish a perfect system of developing inner-party democracy?

Answer: We must first follow the principle of democratic centralism within the party, namely, centralism on the basis of democracy and democracy under centralized guidance. This facilitates the emergence of a strong democratic atmosphere within the party. Party members must be encouraged to speak out freely, and their correct viewpoints should be adopted through unanimous approval.

Furthermore, a system of ensuring that party members regularly participate in the activities of party organizations should be established within the party. These activities include meetings of party groups; membership meetings of party branches; meetings of party branch members; meetings of party committee members; meetings for maintaining the normal practice of democracy within the party; attendance at party lectures; elections within the party; reading party journals and inner-party documents; and other political activities within the party. In particular, primary party organizations which were paralyzed or almost paralyzed before party rectification should gradually institute the system of ensuring that party members regularly participate in the activities of party organizations in the course of party rectification and adhere to the system. They must make efforts to educate and supervise party members and build themselves into strong militant bastions.

CENTRAL CHINA DEVELOPMENT PROGRAM VIEWED

HK130811 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 5, 3 Feb 86 pp 6-7

[Article by Li Shiyi and Wu Ming: "China Prepares a Major Program for Economic Development of Its Central Areas -- First Forum on Strategies for Economic and Social Development in Central China Held in Wuhan"]

[Text] China's economic structural reform has induced a great change in the operation of its economy, namely, the increase in local economic strength and of horizontal economic ties among provinces, cities and autonomous regions. Under these circumstances, the Academies of Social Sciences of Henan, Hunan, Hubei, and Wuhan City held a forum in Wuhan earlier this year to discuss strategies for economic and social development in central China. The meeting has aroused people's interest about the economic development trends in central China.

Before now, China's economists have only discussed strategies for economic and social development in east Cnina. Consequently, the Shanghai economic area, the Beijing-Tianjin-Tangshan economic area, the Bohai economic area, and the northeast China economic area emerged in turn as the times dictated, and economic and technological cooperation between local governments and civilian units became very active. After that, Yunnan, Guizhou, Sichuan, Guangxi and Chongqing held a joint meeting to discuss economic cooperation in southwest China following the forum on strategies for northwest China's development. As a result, economic relations and trade between these local governments has been strengthened. Many new signs indicate that China's policy of invigorating the domestic economy and opening up to the world has begun enlivening its economy from east to west.

Three Major Economic Regions and Development at Three Levels

After more than 30 years of economic construction, the unbalanced layout of production forces in China has changed greatly. In the past, 70 percent of the country's industries were concentrated along coastal areas. Now, a well-laid industrial foundation has been built in the hinterland of our country. However, the nation's economic development as a whole remains irrational. According to the level of China's economic development, natural and social resources, and the layout of its production forces, some experts have classified China's general economic trend into three different development levels represented by the following three economic regions:

The developed region in eastern China, which includes Liaoning, Hebei, Tianjin, Beijing, Shandong, Jiangsu, Shanghai, Fujian, Guangdong, and Zhejiang comprises 11.1 percent of the country's area and 37 percent of the nation's population; its industrial and agricultural output value constitutes 55.7 percent of the China's total output value.

The developing region in central China covers Heilongjiang, Jilin, Ningxia, Sichuan, Shanxi, Anhui, Jiangxi, Henan, Hunan, Hubei, Shaanxi, and Gansu. It comprises 30.9 percent of China's area and its population accounts for 49.1 percent of the nation's total. Its industrial and agricultural output constitutes 37.19 percent of the national gross output value.

The under-developed region in western China which includes Nei Monggol, Xinjiang, Qinghai, Xizang, Yunnan, Guizhou, and Guangxi covers 57.9 percent of the area of China and has a population of 13.4 percent of the nation's total. Its industrial and agricultural output makes up only 7.08 percent of the country's total output value.

Each of the three major economic regions has its own superiorities and inferiorities. The developed region in eastern China has a solid economic foundation and a higher degree of science and technology. It enjoys close ties with foreign countries in economic and technological fields but is short of energy and natural resources. There is a strain on transport, excessive development of urban construction, and a dense population. The under-developed region in western China is vast in areas, sparsely populated, and rich in natural resources. However, it has a weak economy, poor transport conditions, insufficient funds, and lacks good technological and social conditions. The developing region in central China has the strong points of both the other regions without their weak points. It is a very important strategic point for China's future economic development. Although China is concentrating its efforts on further developing the developed region in the east, it has begun to shift the focus of its economic development from the east to the central regions. China's economic experts attach great importance to the move.

Henan, Hubei and Hunan Are Richly Endowed by Nature

Henan, Hubei, Hunan, and Wuhan City are located in the central part of our country. People like to call them central China. They are bounded to the east by the Shanghai economic area, to the west by the southwest and northwest economic cooperation regions, and to the north by the Beijing-Tianjin-Tangshan economic cooperation region. Generally speaking, it is vital to China's overall economic layout.

Central China is one of the birthplaces of China's ancient culture. It covers an area of 560,000 square kilometers with a population of over 180 million. The nation's five railway arteries, the Beijing-Guangzhou line, Longhai line, Jiaozuo-Zhicheng line, Wuhan-Chongqing line and Hunan-Guizhou line crisscross central China. Air-freight terminals in Buhan, Zhengzhou, and Changsha radiate in all directions. The Chang Jiang and the Huang He run across the region from west to east. Shipping on the Han Shui, Xizang Shui, Zi Shui, Yuan Shui, Feng Shui and other tributaries of the Chang Jiang is well developed. Thanks to the development of the transport network, central China has become the crossroads of the country, and its economic development can radiate in different directions. It is an outlet for transporting grain from south to north, a transfer station for shipping coal from north to south, and a network for transmitting electric power from west to east. Wuhan City, historically known as the "thoroughfare to nine provinces," remains a much-used inland commercial port in China today.

A geological survey shows that in central China there are over 100 minerals useful for industrial development, and the deposits of most of these minerals rank first on the country's list. For example, proven deposits of coal, oil, natural gas, and bauxite in Henan Province place seventh, sixth, third and second in the country respectively. Reserves of phosphorus, rutile, woolastonite, and marlite in Hubei province all occupy first place in the country, and its deposits of iron, copper, gypsum, halite, gold, limestone, and fire clay rank sixth. Hunan Province enjoys a great reputation as a "land of nonferrous metals" and its reserves of wolfram, bismuth, antimony, and fluorite rank first in the country. In addition to its abundant waterpower resources, it is conducive to building industries whose manufacture entails high energy consumption by the state.

Describing central China as China's granary is an apt appraisal. The Jianghan plain in Hubei Province and the Dongtinghu area in Hunan Province are usually called the "land of fish and rice." There is a saying that "two crops a year in both Hunan and Hubei can meet the needs of the whole country." Henan Province, situated in the south of the north China great plain, is rich in wheat, cotton and soya bean. Central China covers only 5.8 percent of the country's area, but its grain output in 1984 made up one fifth of the nation's total output; cotton output constituted 26 percent; and the gross output value of agriculture accounted for nearly 14 percent.

Thanks to rural reform carried out in recent years, the rural economy in central China has been moving toward specialization and large-scale commodity production from a small-scale peasant economy. Developed agriculture has provided highly favorable conditions for developing a variegated economy.

Central China has been built into an industrial base for steel, nonferrous metals, machine-building, power, textile, coal, oil, and building materials. Its industrial output value in 1985 was over 90 billion yuan, accounting for 12 percent of the nation's total. The well-known heavy machine-building base in Luoyang, the industrial base for textile and machine-building in Zhengzhou, the industrial base for steel, ship-building and machine-building in Wuhan, and the industrial base for motor vehicles in Shiyan are all located in central China. A number of large construction projects, such as the Zhongyuan oil field and the Yuxi coal base, will start very soon. Meanwhile, the Gezhou dam power station, the largest in the country, has basically been completed.

With expanded industrial production, a rural economy network is taking shape with the backing of the largest city, Wuhan, and other large cities such as Zhengzhou, Luoyang, Zhuzhou, and Changsha, as well as 40 small and medium-sized cities. The network includes three city groups such as the Zhengzhou-Luoyang-Wuhan City group and the Changsha-Zhuzhou-Xiangtan City group.

Scientific, technological and educational undertakings are fairly developed in central China. There are more than 120 universities and colleges with an enrollment of 200,000 students, and over 1,200 scientific research offices with a total of 1.36 million scientists and technicians.

This has all laid a good foundation in the material and technological fields for economic development in central China. Through an analysis of the aforementioned situation, experts believe that the three provinces and one city in central China, have paved the way for shifting the focus of the nation's economic development to the region. A top priority task is to make concerted efforts to adopt strategies and measures for economic development which are compatible with the actual situation of the region.

To Effect Full Cooperation in Developing Central China

After analyzing the present situation in central China, experts believe that central China combines the advantages of all the economic zones in potential and strength and enjoys comprehensive superiority in resources, technology, energy, water resources, communications, science, and so on. In order to make rational use of the objective production factors, the three provinces and one city in central China must develop "east-west convection," effect "mutual supplementing of production factors," and strengthen horizontal economic ties between the eastern and western part of China, so as to spur development of the region. As central China is in the center of commodity exchanges for the whole country, developing commodity and material exchanges with every key city in all directions will be conducive to its economic and technological cooperation with the outside world and the expansion of its markets.

Therefore, some experts have proposed: Make use of the Chang Jiang and base central China on Wuhan to promote the introduction of advanced foreign technology and strengthen cooperation with units in the interior; take as an aim the bolstering of central China's economic strength so as to vigorously develop the Chang Jiang and its tributaries together with southwest China; and develop interregional trade. With a view to achieving this strategic objective, we must adopt two countermeasures: First, implementation of the policy of opening up to the outside world in Wuhan, maintaining river and sea transportation there and making it a commercial port opening up to both foreign countries and other parts of the country, and creating the biggest trading port in central China and the interior; second, relax transportation policies to promote economic ties within the region and with other regions.

Experts have pointed out that for a long time, under the administrative structure of departments and regions at different levels, every province and city followed the practice of "being big and complete" and "small but complete" centering on self-circulation, thereby seriously restricting the display of the overall superiority of central China. For example, although Wuhan has many schools of higher learning, scientific and technological units, and all kinds of talented people, and although its scientific and technological strength ranks third among major cities in the country after Beijing and Shanghai, its overall superiority is not noticed, its scientific inventions are not outstanding taking the country as a whole, and it is less advanced than other localities in applied technology. Another example, despite its transportation superiority, is how central China has many goods in transit but few of its own. Notwithstanding its superiority, central China has not yet properly developed its natural resources. Therefore, in developing the economy, every province and city should not by any means neglect economic combination. Only by strengthening horizontal economic ties and making regions both cooperate with and supplement each other can central China produce greater overall economic results and serve "as a link" between the eastern and western parts of China.

In order to promote the alliance of the three provinces and one city in central China, some economists have proposed the breaking of the administrative boundaries of provinces and cities to establish a central China economic zone. Thus, a joint conference of all the provincial governors and mayors of the three provinces can form a coordinating organization to supplement each other with needed resources, and to develop reciprocal trade. They can hold consultations about issues of common interest such as jointly developing transportation and communications, setting up circulation, finance, and foreign trade networks, and so on. Meanwhile, consideration can be given to establishing a multilevel "association for cooperation between trades" to promote economic combination; opening up commodity and labor service markets in the three provinces and one city to effect reasonable accommodation of capital; developing the exchange of scientific and technological information; and jointly exploiting water and mineral resources, harnessing lakes and rivers so as to complement each other and bring fully into play every locality's advantages in industry, agriculture, science, technology, and so on.

Everything is ready and all that we need is an east wind. In the next 5 to 10 years China has decided to stress building up energy and raw material industries in central China while accelerating development in the eastern part of the country. Undoubtedly, this message caused a great shock wave in the three provinces and one city in central China. The symposium on economic development strategies held for the first time by members of economic circles in central China serves only as a prelude to the establishment and prosperity of the economic zone. In the immediate future, people can see that central China will play an important role on China's economic stage.

MACROECONOMIC MANAGEMENT, OPENING UP OUTLINED

HK110727 Beijing RENMIN RIBAO in Chinese 3 Feb 86 p 5

[Article by Zheng Ning, Han Jidong, and Tang Jianyu: "Strengthen Macroeconomic Management, Promote Economic Opening Up to the Outside World"]

[Text] Strengthen Macroeconomic Management Over the Work of Opening Up the Economy to the Outside World

Since the 3d Plenary Session of the 11th CPC Central Committee, China has attained great success in implementing the policy of opening up to the outside world.

However, lack of experience and failure of macroeconomic management to keep pace with the situation have also given rise to some problems. We should conscientiously study countermeasures and strengthen macroeconomic management in order to stimulate the sound development of opening up to the outside world.

Strengthening macroeconomic management over the work of opening up the economy to the outside world is aimed at solving current existing problems. Fundamentally speaking, it is also the objective demand of developing the socialist planned commodity economy. The extensive development of the socialist commodity economy may also lead to certain disorder in production. It is therefore necessary to carry out planned guidance and adjustment, as well as necessary administrative management. The more the economy is invigorated, the greater importance we should attach to macroeconomic management. Opening up the economy to the outside world is an organic component of the socialist planned commodity economy. It is likewise necessary to have the overall situation of the national economic development in mind and, in line with the requirements of the planned commodity economy, to apply various management methods and economic levers to strengthen macroeconomic regulation and unified planning in the work of opening up the economy.

It is also necessary to keep this in mind to correctly handle various complex relationships in opening up the economy, such as relationship between various open cities and zones in the coastal areas, relationships between these open cities and zones and the vast interior, relationships between the eastern, central, and western regions, relationships between imports and exports, relationships between using foreign capital and importing technology on the one hand and developing the national economy on the other, relationships between the long- and short-term strategic objectives of opening up the economy, and relationships between centralism and decentralization in foreign economic work and trade. In this way is it possible to conform the work of opening up the economy to the general requirement of developing the national economy and to develop foreign economic work and trade in a balanced and steady way. It is also necessary to point out that foreign economic work is, to a large extent, a point on which both the socialist and capitalist economies converge. Its development is restricted not only by the development of the domestic economy but also by the development of, and changes in, the international economy. In order to bring into full play our strong points, to steer clear of our weaknesses, and to take the initiative, it is also necessary, on the basis of stepping up the work of investigating, analyzing, and scientifically forecasting the international economic situation and the world market, to strengthen macroeconomic management over the work of opening up the economy.

Some Problems We Should Concentrate on Solving While Strengthening Macroeconomic Management

In our view, in order to strengthen macroeconomic management over the work of opening up the economy, it is necessary to proceed from the overall situation of national economic development and to concentrate on solving the following problems:

I. The development scope of the work of opening up the economy should be confined within a proper limit so that it can be suited to the development of the national economy.

1. Basing ourselves on the overall situation of national economic development and the financial capability of the state, we should correctly define the investment scope of economic and technological development and construction in the special economic zones and open coastal cities and zones.

Some time ago, there was excessive growth in the scope of investment in fixed assets and the contradiction between aggregate supply and aggregate demand was acute. Under the circumstances, it is necessary to properly control the investment scope of economic and technological development and construction in open coastal cities and zones and to concentrate our financial and material resources on the development and construction of key localities and projects.

2. It is necessary to correctly define the scope of using foreign capital and importing technology in line with our capability to earn foreign exchange through exports and to coordinate domestic funds and goods. The scope of using foreign capital and importing technology depends not only on our capability to digest and absorb foreign capital and technology but also on our ability to meet international payments and to coordinate domestic funds and goods. Regarding our ability to meet international payments, we must define the amount of foreign capital to be used on the basis of achieving a balance between international receipts and payments and maintaining a proper amount of foreign exchange reserve; we must also regard the work of increasing foreign exchange earnings through exports as a basis in opening up the economy. Moreover, the import of foreign capital should generally be coordinated with domestic funds and goods. For this reason, for a certain period the amount of foreign capital that can be used is also restricted by our ability to coordinate the necessary domestic funds and goods. Therefore, we should take into consideration foreign exchange receipts and payments and the comprehensive balance between funds and goods, satisfactorily handle the relationship between necessity and possibility, and define the proper scope of foreign capital to be used and technology to be imported. Only in this way can we attain good results.

II. It is necessary to correctly handle regional economic relationships in opening up to the outside world and to do a good job of rationally distributing the economy and technology. The regional economic relationships in opening up to the outside world are chiefly manifested in the relationships between the economically developed coastal areas in eastern China and the central and western regions, between the open coastal cities and the vast hinterland, and between the open coastal cities and zones on the one hand and the special economic zones on the other. In handling these regional economic relationships, we should abide by the principles of giving play to the superiority of each region, making allowance for the gaps between different regions, giving play to their strong points, steering clear of their weaknesses, laying particular emphasis on certain aspects, having a rational division of labor, and coordinating closely with one another. On the one hand, we should pay attention to arousing and bringing into play the initiative of various regions so that they can develop their foreign economic and trade relations in light of their superiorities and according to the times and local conditions. On the other hand, we should strengthen overall planning and centralized leadership and define different development priorities and targets for different regions in light of the different economic and technological levels between different regions and according to the principle of rationally distributing productive forces. In developing foreign economic relations, it is necessary to strengthen combination and cooperation between different regions.

III. Conscientious efforts should be made to improve economic results in using foreign capital, importing technology, and conducting foreign trade. Achievements in opening up cannot be judged solely by quantity or by a single aspect. They should be comprehensively judged from various aspects, such as quantity and quality, micro and macro points of view, and economy and society. To improve the macroeconomic results, we should correctly guide the investment direction of foreign capital so that the use of foreign capital and the import of technology can be combined with efforts to develop export trade, to improve foreign exchange earning capability, to raise our technological level, and to improve and adjust the structure of the national economy, as well as the structure of import and export trade.

Ways and Means of Strengthening Macroeconomic Management

The ways and means of strengthening macroeconomics are different in different periods. At the moment, they are chiefly as follows:

1. We should work out national plans for using foreign capital and importing technology on an industry or department basis. Then, based on these plans, we should work out regional plans for various open cities and zones. Next we should work out phased plans according to the development targets in different phases. Industrial plans, regional plans, and phased plans must be defined according to the long- and short-term strategic targets of national economic development. The principal task of the national industrial plans is to make unified arrangements for the technological transformation and import tasks and measures for some key industries or departments vital to the overall situation of national economic development, to clearly define the development orientation and regional distribution of various key industries or departments, and to call for a high degree of unity and self-discipline. The principal task of the regional plans and phased plans is to arrange the development tasks and measures in a certain region or phase. Both plans should submit themselves to the requirements of the industrial or departmental plans. Moreover, we should pay attention to the actual conditions in various regions and departments and allow numerous development patterns and targets.

2. We should adopt various policy measures, such as dealing with each case on its merits, selecting and supporting the superior ones, giving specific encouragement, and placing certain restrictions. It is necessary to adopt proper policy measures to restrict those projects which have been imported in duplicate, which yield low socioeconomic results, and which are blindly developed despite the lack of necessary conditions. However, it is necessary to adopt appropriate preferential measures to encourage the open zones with relatively good conditions, the industries or departments the development of which should be given top priority, and the projects which are technologically advanced, which have remarkable ability to earn foreign exchange, and which can yield better economic results. We should make full use of economic levers, such as pricing, credit, taxation, foreign exchange, interest rates, tax rates, and exchange rates, to increase foreign exchange earnings through exports, to improve the export structure, and to reduce the costs of commodities exported for foreign exchange. At the same time, we should adjust the import structure, bring excessive imports of high-grade consumer goods and parts under control, and improve the economic results in using foreign exchange. It is necessary to step up the building of the legal system and to strengthen the functions of the legal means in order to overcome such phenomena as having no laws to go by and failing to observe the laws. At the same time, it is also necessary to correctly handle the inconsistencies between existing policies and relevant regulations and to solve the contradiction characterized by various judiciary departments and management organs acting on their own and their failure to coordinate among themselves.

3. We should vigorously establish an interlocking network of economic and technological information involving foreign trade, finance, banking, economic commission, planning commission, foreign economic relations and trade commission, and other departments concerned. This economic and technological information network should be highly efficient, have multiple functions, and fan out in all directions. Not only should it exchange economic and technological information between various open cities, regions, and departments, but it should also study and forecast the international economy and market and conduct various activities, such as conducting an investigation or consulting services among foreign investors. In this way it can serve the work of opening the economy to the outside world in various open coastal cities and zones and the interior.

4. It is necessary to reform the economic administrative system and to strengthen the necessary centralized management. There are a few problems and contradictions either in the use of foreign capital, the import of technology, foreign trade, or the foreign exchange management system. This finds concentrated expression in excessive centralized management, administrative intervention, and management departments and levels, thus fettering the initiative of the localities and enterprises. Moreover, numerous departments at various levels have their own decision-making power, thus bringing about the problem of numerous departments borrowing money, importing technology, and carrying out foreign trade on their own. In order to solve these problems, it is necessary to continue a comprehensive and well-coordinated reform of the administrative system. While extending the competence of various localities and departments in using foreign capital and importing technology, we should apply various management methods and economic levers in order to strengthen indirect control. While bringing into full play the initiative of various trade, we should adhere to the principle of developing a unified approach in our external dealings and strengthen necessary centralized management. On the basis of upholding centralized and unified management over foreign exchange, we should reform the existing foreign exchange planned management system, administrative system, and operation and management system. We should arouse the initiative of various localities in earning foreign exchange through exports by appropriately increasing their foreign exchange retention ratios and expanding their powers in using foreign exchange. We should also strengthen macroeconomic control and correctly guide the use of foreign exchange in order to attain better economic results in using foreign exchange.

PLANNING FOR FOUR MODERNIZATIONS DISCUSSED

HK130801 Beijing QUN YAN in Chinese No 1, 7 Jan 86 pp 21-23

[Article by Feng Zhijun, deputy director of the Shanghai Institute of Science Study: "Study Strategic Plans, Offer Advice to the Great Cause of the Four Modernizations" -- a speech delivered at a meeting held by democratic parties and the Federation of Industry and Commerce to commend advanced collectives and individuals in serving the four modernizations program]

[Text] As a research worker in the soft sciences who regards strategic planning as a field of study, I have joined research into several strategic plans in recent years and have attained positive social benefits in providing the leading departments with scientific bases and reference material for policy decisions.

First, strategic studies have become an important aspect in offering advice to the cause of the four modernizations.

With the development of production, the advance of science and technology, and the growth of the economy, modern social activities have been provided with new characteristics. The scale of social activities is larger, their changes more rapid, and their influence more extensive. A situation whereby "a slight move in one part may affect the situation as a whole, and an error the breadth of a single hair can lead one a thousand li astray" has emerged. The characteristics of modern social activities have brought about great changes in social macrocontrol mechanisms, making it necessary to give priority to strategic studies.

That is why there has been an "intense popular interest in strategic studies" in the world in recent years. From different angels and by different methods people have engaged in multi-pattern and multilevel strategic studies in various fields, such as economics, science and technology, and education, at the global, state, regional, and enterprise levels.

Many new branches of learning have emerged, such as "developmental economics" specializing in the strategy of developing countries, "growth economics" specializing in the strategy of developed countries, the "science of enterprise strategy" specializing in the development strategy of enterprises, and "global strategic studies" specializing in the development strategy of the world as a whole. We can thus see that strategic studies have drawn the universal attention of all countries.

In China's socialist modernization drive, all business develops and flourishes. With the four modernizations task so formidable, the time so short, and the scale so large, it is even more necessary to have the support of strategic research. Comrade Chen Yun pointed out: I think we still need people to "walk with measured steps" and to take the whole situation into account. Our economic institutions should have groups of such strategists. It can thus be seen that the CPC Central Committee attaches great importance to research and strategic consulting. The State Council and local authorities have set up numerous forms of strategic research institutions. These institutions have attained gratifying results in their own fields of study and have vigorously stimulated the development of China's strategic studies.

Science study is a very vast field. In line with the need of social development and my own qualifications, I have selected as the focus of my studies the "theory, methods, and practice of strategic studies." I actively engage in strategic studies, applying the method of alternating natural science and social science, and adhering to the principle of integrating qualitative with quantitative analyses, foreign with national conditions, and national traditions with modern science. I firmly believe that there are bright prospects for strategic studies in China.

Second, study strategic plans and offer advice to the cause of the four modernizations.

In recent years I have participated in, and presided over, research into strategic plans. I have been responsible for various research projects, such as "overall pattern for Shanghai's technological transportation in the Seventh 5-Year Plan period;" "structure and benefit of investment in China's intellectual resources;" "studies on the new technological revolution and Shanghai's strategic countermeasures;" and "Shanghai in the year 2000." The "overall pattern for Shanghai's technological transformation in the Seventh 5-Year Plan period" was listed as a research topic by the State Council's technological and economic center and, after appraisal, was accepted by the Shanghai Municipal Planning Commission, Economic Commission, and Science and Technology Commission. In the "studies on the new technological revolution and Shanghai's strategic countermeasures" we submitted a study on developing Shanghai's economy with the readjustment of the production structure as the core. This was accepted by the leading department concerned. The research into the "structure and benefit of investment in China's intellectual resources" was conducted at the request of the State Council's Education, Science, Culture, and Public Health Committee. In our study we put forward a "benefit pattern for investment in China's intellectual resources" and provided a basis for policy decisions regarding the investment in, and the ratio of, educational expenditure.

Moreover, in developing and reforming education, we submitted a consultancy reported entitled "Several Questions on the Reform of Higher Education as Viewed from the Development of Modern Science and Technology," which was well received by some central leading comrades. One of the leading comrades concerned wrote the following instruction: "After reading this material, the Secretariat thinks it is pretty good. The policy research center of the Secretariat is advised to study it and to see whether it is acceptable."

In the course of making a medium-term policy decision on the Baoshan Iron and Steel Complex, I worked as a member of the complex's advisory group under the leadership of Professor Li Guohao.

We submitted a study entitled "Follow-up Policy on the Baoshan Iron and Steel Complex Project." This study drew the attention of the relevant quarters and some of its basic concepts have been accepted.

In doing strategic research, we have always adhered to the principle of attaining excellent economic results as a whole. By and large, the objects of strategic planning are very complicated. Therefore, when doing research, we should have strategic foresight, the ability to make a systematic analysis and review, and pioneering spirit. Strategic foresight calls for firm and revolutionary objectives and realistic steps. A pioneering spirit calls for the continuous elimination of outdated concepts, the establishment of innovative ones, and the constant development of the new situation. The ability to make a systematic analysis and review, however, calls for the establishment of an overall point of view in order to attain the best overall results.

For a long time people have paid attention only to the constant improvement of departments, units, and components. They consistently believe that by turning out good components and accumulating them, it is definitely possible to get a complete whole. This method of thinking may still be desirable under the small production conditions characterized by a small-scale social activities and a small number of units. However, this "simple addition" type of thinking is harmful when the social activities scale is larger, their changes more rapid, and their influence more extensive.

Practice tells us: Although the quality of our components, units, or departments is good, an irrational structure may lead to a heavy loss in the overall results of the system. Conversely, if the structural design is rational, we shall still be able to attain good economic results as a whole, even though the component performance is not quite perfect. Naturally, reliable components and a rational structure will yield better economic results as a whole. We can thus see that it is difficult to attain the best overall results by paying attention only to components and not to structure. This makes it necessary for us, when engaging in large-scale strategic research involving rapid changes and extensive influence, to attach importance not only to the planning of components, units, and departments but, more importantly, to a systematic and macroanalysis of the structure. Only when we have a rational structure is it possible to attain the best overall results.

In drawing up city or regional strategic plans, it is necessary to stress the analysis of the overall structure. If a city or a locality intends to achieve quadruplications, does it mean all departments and trades of the city or locality should indiscriminately achieve quadruplication? If all departments or trades are urged to achieve quadruplication uniformly, quadruplication, taken as a whole, may not be achieved; it will get worse and worse as attempts are made, because the development levels of the departments or trades are uneven. The objective or quadruplication can be achieved as a whole only when rational plans are worked out. For example, key development trades are encouraged to achieve more than a four-fold increase, subsidiary development trades to achieve less than that amount of increase, and ordinary development trades to achieve quadruplication. Trades kept at the present development level are not allowed to aim at quadruplication, and trades which ought to be abolished or shifted to other types of production are even permitted negative growth. In this way an overall rational structure can be achieved and all trades can be developed in a coordinated way. In our study of Shanghai's economic development strategy, we have concentrated on the analysis of the overall structure. Production patterns in Shanghai have been irrational for quite some time. Central leaders pointed out: China has typically labor-intensive, capital-intensive, and knowledge-and-technology-intensive trades. However, they are highly disproportionate. Shanghai's present ratio of trades of these three types is 4:4:1. Because of irrational production patterns, Shanghai has many serious problems such as obsolete equipment, aging technologies, shortage of energy and funds, overexpansion of population, and environmental pollution.

To invigorate and transform Shanghai, it is necessary to readjust and gradually rationalize production patterns in accordance with the principle of attaining excellent economic results as a whole. At present the State Council has approved the strategic objective of Shanghai's economic development, namely, turning Shanghai into an open, modern economic center with rational production patterns and multiple functions. The formulation and implementation of this strategic objective will certainly attain very satisfactory economic results as a whole.

Over the last few years, in collaboration with related comrades, I have been writing theoretical treatises and lectures on strategic studies, apart from studying topics concerning strategic planning. Such works as "Soft Science," "Fundamentals of Science Study," "Fundamentals of Leadership Science," "Modernization and Science Study," and "Leadership and Strategy," have been published in succession. At the same time, I also made reports, by invitation, to the vast numbers of leading cadres and scientific and technological personnel of the "study class for party government cadres," "study class for mayors throughout the country," "study class for Army commanders throughout the Army, and of 21 provinces, municipalities, and autonomous regions. Moreover, I went to Mexico, the United States, and the FRG by invitation to conduct academic and teaching tours.

Third, organizations involved in the united front work should take strategic consulting as one of the important tasks of "democratic consultation" work.

Consulting has existed since time immemorial. As it is today, consulting work has become a multi-tier, multi-channel, and multi-form research undertaking. In terms of its nature, content, and scope, generally speaking, consulting work can be divided into strategic consulting, technical consulting, engineering consulting, and management consulting. As far as organizations involved in the united work front are concerned, as I see it, strategic consulting should be given first priority. The reasons for my argument are as follows:

First, judging from the tasks of organizations involved in the united front work, their fundamental tasks, whether to carry forward the four modernizations program, to achieve the reunification of the motherland, to oppose hegemonism, or to safeguard world peace are a comprehensive topic which is of overall and strategic importance. Furthermore, these fundamental tasks are centered on carrying forward the four modernizations program and accelerating the liberation of productive forces, because without a high growth of productive forces and vigorous development of economic construction, it will be unable to fulfill the other tasks. Therefore, in doing their consultancy work, organization involved in united front work should put strategic consultancy in first place, study the strategic matters relating to the coordinated development of science and technology and economics on the one hand and society on the other, and explore the study of regional comprehensive development and related comprehensive policies. The conducting of consultancy work in this category is undoubtedly of great use in carrying out "democratic consultation and supervision" in-depth work, extending the influence of the united work front, and in creating a new situation in the united work front.

Second, viewed from the actual conditions of organizations involved in the united work front, they have an abundance of capable people who have mastered complete multi-disciplinary sciences, have rich experience, and are highly patriotic. Just as Comrade Deng Yingchao said: "We must see the important role nonparty personages play. They are relatively knowledgeable and have extensive social connections and influence as well as fairly rich political experience." Therefore, with their superior talent, organizations involved in the united work front can most favorably provide comprehensive strategic consulting services, fostering strengths and circumventing weaknesses, bringing their favorable conditions into play, and in suggesting ways and means for the general principles and policies of the four modernizations.

Third, in terms of the developments of consulting work carried out by organizations involved in the united work front over the last few years, great achievements have been made in consulting work in organizations involved in the united work front since the 3d Plenary Session of the 11th CPC Central Committee. Many of them have been in the strategic consultancy category.

In brief, both the time and conditions are ripe for organizations involved in the united work front to carry out strategic consulting work. So long as they strengthen leadership, have a clear orientation of endeavor, work out plans, and continuously review experience, they will surely achieve gratifying results in their strategic consultancy work.

REGULATIONS ON HIGHER EDUCATION FOR ADULTS

OW141301 Beijing XINHUA Domestic Service in Chinese 0806 GMT 14 Feb 86

[Text] Beijing, 14 Feb (XINHUA) -- The State Education Commission and the Ministry of Finance recently issued a joint document, setting specific regulations for nationwide unified enrollment of adult students by schools of higher learning in 1986.

The "regulations" point out that enrollment of adult students by various schools of higher learning in 1986 will be handled in a unified manner throughout the country. The State Education Commission will set unified questions, time, and evaluation criteria for the test. Various provinces, autonomous regions, and municipalities will organize the test and grading of test papers in a unified manner and set mininum points for admission. Various schools will enroll students according to the results.

The "regulations" say: All kinds of schools of higher learning for adults set up with the approval of various provincial, autonomous regional, municipal, and city governments or ministries and commissions under the State Council and registered with the approval of the former Ministry of Education or the State Education Commission through their respective channels for the national plan of enrollment of adults for higher education. Those schools include radio and TV universities, advanced vocational schools for staff members and workers, advanced agricultural schools for peasants, institutes for the training of management cadres, teachers' colleges (advanced schools for teachers), specialized classes and correspondent classes for cadres and teachers sponsored by independent correspondence colleges and regular schools of higher learning, night universities, and other schools of higher learning for adults which provide professional or regular college level training for staff members and workers who are released from their work for more than 2 years or study in their spare time for more than 3 years. The state will not recognize diplomas issued by those schools which enroll students independently.

The adult students applying for admission to various schools of higher learning must possess an educational level of senior middle school graduate or the equivalent.

The age of those who apply for release or partial release from their work in order to take part in study must be under 40. Staff members and workers on their jobs should apply to study related subjects and be reviewed and approved by their respective units. There will be no age limit or working years limit for those who apply for study in their spare time. However, they should also be reviewed and obtain written comments from their respective units. Intellectual youth and individual workers who apply for the unified test should be reviewed and obtain written comments from local township governments (or neighborhood committees).

Staff members and workers on the job who apply for release or partial release from their work for study at workers' universities or workers' sparetime universities must have more than 2 years of work experience.

The correspondence departments and night colleges run by regular schools of higher learning will mainly enroll staff members and workers on the job. They may also admit intellectual youth but the state will not be responsible for assigning jobs to them after graduation. They will be employed by requiring units on their own merits.

Cadres on the job who apply for studying at institutes for the training of management cadres or cadres training class run by regular schools of higher learning must have 5 years of work experience.

Staff members and workers who apply for release or partial release from their work to study at radio and TV universities should have more than 2 years of work experience. Radio and TV universities may also admit intellectual youth, but the state will not be responsible for assigning jobs to them after graduation. They will be employed by relevant units on their own merits.

Advanced teachers' colleges and institutes (advanced schools for teachers) will admit only teachers of various kinds of secondary schools and a small number of cadres in charge of educational administration.

The regular and special classes run by regular schools of higher learning and teachers' institutes will admit teachers who have been on their jobs for more than 5 years at various kinds of secondary schools and a small number of cadres in charge of educational administration who will be released or partially released from their jobs.

Students who are currently studying at various schools and whose academic records will be recognized by the state on graduation will not be eligible for studying at various schools of higher learning for adults.

The "regulations" point out: The scope of questions in the current test will be within the "review program for the national enrollment of adult students by various schools of higher learning in 1986," formulated by the State Education Commission. Subjects for the test will be classified in two main categories. One for industrial agricultural, and medical subjects, and the other for literary and historical subjects. Individuals who take part in the test will be notified of their test results. However, results will not be publicly announced, nor will checking of test papers be allowed.

The "regulations" emphatically point out that no schools of higher learning for adults are allowed to admit provisional students or auditors.

The "regulations" call on all units to firmly oppose and resist all kinds of unhealthy practices, such as favoritism, fraud, or "getting in by the back door." Cases in violation of law and discipline in enrollment must be seriously investigated by various localities, and the responsibility for such wrongdoings must be affixed. Admission will be withdrawn if students are accepted in violation of the regulations and the violation is proved after investigation.

The dates of examination of this year's enrollment of adult students by schools of higher learning are 10 and 11 May.

RENMIN RIBAO CARRIES WENYI BAO ARTICLE ON LU XUN

HK180314 Beijing RENMIN RIBAO in Chinese 15 Feb 86 p 1

[Article by Chen Shuyu, reprinted from 1 February WENYI BAO: "Do Not Lightly Disparage Lu Xun"]

[Text] Lu Xun was a great and modest man. He believed that there was no perfect man or book, including his own literary creations and theories. To make an analysis of Lu Xun or even criticize him has never been prohibited. His viewpoints, if biased, are open to question, and the historical facts, if wrongly recorded, can be revised. If the critics can hit the nail on the head and suit the medicine to the illness, Lu Xun would feel contented even in the nether regions.

To disparage Lu Xun willfully in a frivolous manner is diametrically opposed to normal academic research and literary criticism. It is not at all surprising for disparaging remarks to come from enemies. If disparaging remarks about Lu Xun come from our own ranks and appear in revolutionary papers and periodicals, we cannot regard it as a normal phenomenon. We must give guidance to put the matter right.

Remarks disparaging Lu Xun have emerged time and again over the past 2 years or so. During the spring and autumn of 1984, when some newspapers criticized a young writer for plagiarizing literary masterpieces, someone courageously defended him saying: "In an analogy of this, can we say that Lu Xun plagiarized Gogol's 'Save the Children?'" Consequently, the demarcation line between "use for reference" and "plagiarize" was obscured and Lu Xun became one of the plagiarists. Last May, an associate professor issued an article in ZA WEN BAO [JOURNAL OF SHORT ESSAYS] saying that "it is imaginative" rather than "a great mistake" to translate "the Milky Way" into the "milk way." He brought up the old scores of Lu Xun criticizing Zhao Jingshen's translation theory which "preferred smoothness to trueness" "half a century ago" in an attempt to prove that Lu Xun's remarks "were not always correct," though Professor Zhao Jingshen admitted the mistake he made from 1931 to 1983 in translating "the Milky Way" into the "milk way."

The disparaging remarks about Lu Xun reached a "high tide" in August last year. On 6 August, ZA WEN BAO carried an article by Li Bushi entitled "Why Should Lu Xun Be Quoted So Often?" Which said: "Whenever short essays are discussed, Lu Xun's name is mentioned in every chapter and paragraph." He raised an alarm: "Having been exposed to so much Lu stuff, I am afraid I might have become Lu Xun-ized." Deriding Lu Xun's cultural legacy as "Lu stuff" and calling being influenced by Lu Xun's theories and writings "Lu Xun-ized" are really "unprecedented" in the study of Lu Xun over the past 80 years. Everyone knows that Lu Xun was the founder of the modern Chinese essay, and his essays are the quintessence of this field. The link between short essays and Lu Xun resembles that between the Renaissance and Dante, Boccaccio, Petrarch, and other precursors of that period. Why should this be surprising?

If Li Bushi's disparaging remarks about Lu Xun are just abuse, an article entitled "On Lu Xun's Creative Profession" published by the magazine QINGHAI HU [QINGHAI LAKE] the same month added a thin theoretical veil to the disparaging remarks about Lu Xun. The article provided a grim picture of Lu Xun's "creative profession." It said: During the "period of preparation" (1906-1919), Lu Xun's "literary career was unsuccessful" because his works in those days were "experimental and exploratory." During the "creative period" (1918-1925), he produced only four or five stories, which was not particularly impressive. The 1924-1936 period was a "period of decline" in Lu Xun's creativity, during which he wrote essays "primarily for the purpose of feeding himself." His involvement in translation was "a failure." The only thing worthy of the name of creation was his "Stories Newly Told," "which, however, has little artistic value."

For people with a minimum of common sense, it is completely unnecessary to refute these arguments individually. The appearance of these disparaging remarks about Lu Xun is not accidental. These remarks show that some people considered it quite stylish to be fastidious about "teeny-weeny bits of dust" on heroes' bodies, and to dig out any "redeemable intuitive knowledge" from villians, with the mistaken idea that slinging mud at Lu Xun was a "fashionable," heroic undertaking. Moreover, the editors of certain papers and journals, in order to have greater "economic returns," were particularly fond of publishing sensational articles, thinking them an effective means of increasing their readership. That was why they were interested in publishing anything which either mythologized Lu Xun (like "Mao Zedong's Courtesy Call on Lu Xun") or cooked up false charges of Lu Xun's "crimes." The infiltration of certain misconceptions from overseas was also a cause not to be overlooked. As far as researchers of Lu Xun's works are concerned, the argument in the article "On Lu Xun's Creative Profession" was nothing but a rehash of what had already been written.

We are glad to see that the disparaging remarks about Lu Xun have evoked strong repercussions among the comrades in the literary circles. They believe that the rich cultural legacy and thought created by Lu Xun through unremitting struggles all his life are a treasure of China's cultural heritage as well as the Chinese people's precious contribution to world culture. The study of Lu Xun should be an organic component of the strategic study of China's socialist cultural construction. According to the Greek myth, there was a man called Tantalus who stood in a stream until the water rose to his throat. But he was at the end of his wits and did not know how to quench his thirst. This story gives much food for deep thought to those who disparage Lu Xun on the one hand and advocate the building of socialist spiritual civilization on the other.

DENG XIAOPING, WANG ZHEN LEAVE CHENGDU

HK150159 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Text] According to SICHUAN RIBAO, Deng Xiaoping, member of the Standing Committee of the Political Bureau of the CPC Central Committee, chairman of the Central Advisory Commission, and chairman of the Central Military Commission, and Wang Zhen, vice chairman of the Central Advisory Commission, left Chengdu on 14 February. Before they left, the principal leading comrades of the party, government, and Army in Sichuan went to the place where they were staying to bid them farewell.

After arriving in Chengdu on 31 January, Comrades Deng Xiaoping and Wang Zhen celebrated the Spring Festival with the people of Sichuan. They attended a Spring Festival gathering organized by the provincial CPC Committee and government and received veteran Sichuan comrades and Sichuan opera performers. Comrade Deng Xiaoping expressed great satisfaction at the prosperity of the markets and abundance of supplies in the province. He showed great concern for economic development in old revolutionary bases, remote and mountain regions, and minority-nationality areas in Sichuan.

On 13 February, Comrades Deng Xiaoping and Wang Zhen were photographed with the comrades of Guangan County and relatives in their native villages. On behalf of Comrade Xiaoping, Comrade Zhuo Lin said to the comrades of Guangan County: Coming back to Sichuan is like coming back to our hometown. Please give our regards to the people in our native villages.

On their way to Chengdu, Comrades Deng Xiaoping and Wang Zhen visited the stone carvers of Dazu. While in Chengdu, they toured the Wuhou temple, Nanjiao park, Wangjiang park, the Du Fu memorial and the Baoguang monastery at Xindu.

ZHAO ZIYANG, HU QILI, TIAN JIYUN IN GUANGZHOU

HK160544 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 16 Feb 86

[Text] Zhao Ziyang, member of the Standing Committee of the Political Bureau of the CPC Central Committee and premier of the State Council; Hu Qili, member of the Political Bureau of the CPC Central Committee and member of the Central Secretariat; and Tian Jiyun, member of the Political Bureau of the CPC Central Committee, member of the Central Secretariat, and vice premier of the State Council, arrived in Guangzhou on 14 February after inspecting work in Hainan.

On 15 February, Comrades Zhao Ziyang, Hu Qili, Tian Jiyun, and others inspected Nanhua West Street, Xingping Road agricultural trade market, the Tianhe sports complex, and Wuyang New Town. Comrade Hu Qili and others listened to reports given by responsible comrades of the provincial CPC Committee and departments concerned on the situation in building spiritual civilization. Comrade Tian Jiyun and others listened to reports on economic work. Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun gave many extremely important views on work in Guangdong.

In the evening, Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun received leading cadres of the party, government, and Army in the Guangzhou area and extended festival greetings to them.

LI XIANNIAN PRAISES RED ARMYMAN IN HUNAN

OW180023 Beijing Domestic Service in Mandarin 1200 GMT 17 Feb 86

[Excerpt] Moving tales about the lofty character of retired veteran Red Armyman Yu Jie taking the lead in correcting party conduct are being circulated in Pingjian County, Hunan Province. President Li Xiannian recently wrote a letter to extol Yu Jie on his revolutionary spirit and lofty communist character. The letter said that he has set an exemplary role for retired cadres and has won honor for the party.

PENG ZHEN INSPECTS SHANGHAI ENTERPRISES

OW152133 Beijing XINHUA Domestic Service in Chinese 1436 GMT 15 Feb 86

[By reporter Chen Maodi]

[Text] Shanghai, 15 Feb (XINHUA) -- Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of the NPC Standing Committee, inspected Shanghai's Baoshan iron and steel complex and no 1 television assembly plant from 13 to 15 February. He encouraged the cadres and workers to display the self-reliant and hard-working spirit in continuously improving production techniques in order to turn the plants into first-rate modern enterprises.

Comrade Peng Zhen received a warm welcome from the cadres and workers when he visited the Baoshan iron and steel complex on 14 February. During his first inspection tour of the iron and steel complex on 20 January 1980, while still under construction, Peng Zhen said: "The construction of such a large modern enterprise as the Baoshan iron and steel complex is indispensable. It should play an exemplary role in producing good products, accumulating useful experience, and training skilled personnel." Revisiting the complex today 6 years later, Peng Zhen was gratified to see a large modern iron and steel joint enterprise already standing firm as a rock on the banks of the Chang Jiang.

During the day-long inspection tour, Peng Zhen earnestly listened to briefings concerning the construction and production of the complex. He said: "It requires concerted effort by people across the country and vigorous support from all trades and professions in building such a large enterprise as the Baoshan complex." Turning to the subject of conducting strict operational and technical training among the staff members and workers, Peng Zhen stressed: "This is a very important field. Strengthening the sense of organization and discipline is an important matter concerning the quality of the nation." He also inquired about the progress in the second-phase construction of the iron and steel complex and encouraged all staff and workers to do a solid job in the second-phase construction on the basis of smooth progress in the first phase. Then, Peng Zhen toured the raw materials pier, coke plant, no. 1 high furnace, steel mill, preliminary rolling mill, and seamless steel pipes plant. He shook hands with the cadres and workers present on the occasion and wished them successes in the construction. Comrade Peng Zhen also wrote an inscription for the Baoshan iron and steel complex.

On the morning of 15 February, Peng Zhen inspected the Shanghai no. 1 television assembly plant, which manufactures Jinxing brand television sets. While hearing briefings and touring the plant, he praised its successful experience in applying foreign technology and relying on its own strength in producing color television sets. He encouraged the plant staff members and workers to strive to produce more television sets for overseas markets.

On the evening of 15 February, Comrade Peng Zhen met with Shanghai municipal party, government, and Army leaders, as well as veteran comrades.

HU QIAOMU ATTENDS CHILDREN'S GATHERING

OW141313 Beijing XINHUA Domestic Service in Chinese 1232 GMT 14 Feb 86

[Text] Beijing, 14 Feb (XINHUA) -- Effective 16 February, XIN SHAONIAN BAO [NEW JUVENILE NEWS] will be renamed ZHONGGUO ERTONG BAO [CHINESE CHILDREN'S NEWS]. Comrade Hu Yaobang inscribed the name of the newspaper.

A get-together was held this afternoon at the National Cultural Palace for the young readers of the XIN SHAONIAN BAO to mark its 40th founding anniversary. Hu Qiaomu, member of the Political Bureau of the CPC Central Committee; and Zhu Zuefan, vice chairman of the NPC Standing Committee, attended. Also attending were responsible persons of the State Education Commission, the All-China Women's Federation, the CYL Central Committee, and Beijing City as well as some noted writers of children's literature, painters, and people in charge of children and juvenile work.

XIN SHAONIAN BAO, which now enjoys a circulation of 880,000 copies, was inaugurated in Shanghai on 16 February, 1946, by an underground organization of the Chinese Communist Party. During the past 40 years it has played a positive role in uniting and educating the children.

ANHUI OFFICIAL ON RURAL ENTERPRISE DEVELOPMENT

OW161415 Hefei Anhui Provincial Service in Mandarin 1100 GMT 15 Feb 86

[Radio talk by Jiang Chunsheng, director of the Anhui Provincial Administration of Rural Enterprises: "Make Overall Planning and Provide Guidance According to the Nature of Operation So That Anhui's Rural Enterprises Can Be Developed Actively, Steadily, and in a Coordinated Manner" -- recorded]

[Text] The general guideline for the development of rural enterprises in Anhui in 1986 is: Make overall planning, provide guidance according to the nature of operation, give priority to major projects, pay attention to economic results, enlist the support of key enterprises, focus on production of lead products [long tou chan pin], and pay special attention to family or neighborhood-operated undertakings so that Anhui's rural enterprises can be developed actively, steadily, and in a coordinated manner. According to this year's plan, Anhui's rural enterprises will turn out 12 billion yuan, make a profit of 1.6 billion yuan, and provide jobs to 4.4 million people in the rural areas. To reach this target, we must do several things well:

1. We must have a consensus on the speed of growth, which is the central issue. Since Anhui's rural enterprises have just started to develop, they do not have to worry about excessive growth. First of all, this is because the development in this area is still slow. In terms of the rural areas' growing social output, proportion of the total output of Anhui's rural enterprises is below the national average, ranking fifth in eastern China. Secondly, Anhui's rural areas abound with surface and underground resources and mineral deposits in many areas have not been tapped. Such being the case, there is still much room for growth. Third, the development of rural enterprises is particularly essential today when the second-step reform is underway, production structure is being realigned, and small towns are appearing in the rural areas. Fourth, the restructuring of the urban economic system also (?calls for faster growth of) the rural enterprises. Thus, no matter from which angle we see the issue, Anhui's rural enterprises should have a faster growth.

2. We must have a better understanding of the course of development. Although located in the countryside, rural enterprises should gear their production to the needs of cities and the market at home and abroad. Since the situation in different places could be vastly different, there should not be only one single way to be followed. Anhui's situation shows that it should give first priority to [words indistinct] by going all out to process agricultural and sideline products into marketable commodities. The second priority should be given to tapping and utilizing Anhui's rich mineral resources in a way appropriate to the local conditions. It should also continue to develop the construction materials industry. The third priority should be given to enlisting the assistance of cities and tapping local potential so that the processing of industrial goods can be (?decentralized). The fourth priority should be given to broadening the ways of developing tertiary industry according to society's needs and provide the masses the needed services, such as garment-making, dining, housing, transportation, and recreational facilities. The fifth priority should be given to investigating the needs of the international market and developing merchandise that can earn foreign exchange. [Words indistinct]

3. We must persist in carrying out reform and effectively improve our management. Anhui now has 870,000 rural enterprises. The management of this fairly large number of rural enterprises must be further improved.

We must have a better plan this year for the production of goods and quality control, improve the management of investment in fixed assets, and institute regulations and rules for quality control and management of the investment in fixed asses. Rural enterprises themselves must improve their management of contract responsibilities in production. Special attention must be paid to three issues in this respect: 1) Choosing the right contractors; 2) improving contract policies and refusing to sign any contracts that benefit individual households at the expense of state and collective interests; and 3) instituting the system of charging directors and managers of enterprises, with the exception of the very small ones, to be responsible for the performance of their enterprises. [Sentences indistinct]

4. We should provide guidance and the needed services according to the nature of operation. This year, we must provide better [words indistinct] and guidance for the development in mountainous areas, [words indistinct], hilly areas, plains, suburbs, and tourist spots. [Sentences indistinct] consider enlivening the rural economy as a major task of protecting the peasants' interests, Anhui's rural enterprises certainly will significantly grow in the future.

FUJIAN DEVELOPS RADIO, TELEVISION SERVICE

OW160617 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 15 Feb 86

[Text] During the Sixth 5-Year Plan period, Fujian Province made gratifying progress in radio and television broadcasting. As of the end of 1985, the total transmission power of radio stations in the province increased by 12.5 percent over that of 1980; while the total transmission power of television stations in the province was up 400 percent from 1980. The radio broadcast service reaches 55 percent [as heard] of the province's population, while the television service is available to 77.5 percent of the population.

In the development of radio broadcasting, medium-wave broadcasting, and relay stations, since 1983 the province has expanded relay stations in Fuzhou, Xiamen, Quanzhou, Zhangzhou, Nanping, Sanming, Longyan and two other cities, thus enlarging the coverage of medium-wave broadcasting and giving these cities better reception for the programs of the central and the provincial radio stations.

Wire-broadcasting service covers all urban and rural areas in the province. There are 70 city and county wire broadcast stations, some 59,200 kilometers of wire-broadcasting transmission lines, and some 1.6 million loudspeakers.

Television service has developed even faster. The Xiamen television station and the Fuzhou television station were inaugurated in 1983 and 1984 respectively. The television and FM relay stations in Xiamen, Futian and Yunxiao were expanded in 1984. At the same time, the province has built 620 kilometers of microwave tru. line connecting 15 microwave stations in 7 prefectures and cities. Now some relay stations have changed the plug-in relay method [cha zhuang fang shi] to microwave transmission and thus improved the relay quality. The provincial television station has continuously improved its program production. Now it has 30 color television cameras, 12 electronic editing systems, and equipment for 24-hour broadcasting on two channels. It has enhanced its program production capability by 380 percent since 1981.

JIANGXI CRACKS ARMS THEFT CASE, ARRESTS CRIMINAL

OW160542 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 15 Feb 86

[Text] After 3 years of investigation, Hengfeng County's extraordinarily serious arms theft case was cracked on 21 December 1985.

The criminal (Chen Xiaoyong) was arrested and brought to justice. On the morning of 14 February, the Shangrao Prefectural Party Committee and Administrative Office held a meeting in Hengfeng County to commend 12 units and 35 personnel that contributed to this case and conferred the title of young security activist on (Guo Jianjun), a pupil of the Peiyang Town No 1 Elementary School in Hengfeng County.

Late in the night of 3 December 1982, the criminal (Chen Xiaoyong) sneaked into the armory of Hengfeng County's People's Armed Forces Department after climbing over a wall and picking a lock and stole four type 56 light machineguns, one type 63 full automatic rifle, and one type 54 pistol. After the theft was discovered, the Hengfeng County Public Security Bureau, under the county party committee's leadership, mobilized the masses to inform against and expose the criminal.

On the afternoon of 14 December 1985, (Guo Jiangjun), a pupil of the Peiyang Town No 1 Elementary School in Hengfeng County, accidentally discovered the stolen arms hidden in the attic of the Hengfeng County movie theater and immediately reported the case to the county Public Security Bureau. As a result, a breakthrough was achieved in the investigation of the case. That same afternoon, carrying a type 55 pistol and three bullets, the criminal (Chen Xiaoyong) fled to (Hencuo) Village in the suburbs of Xiamen City to avoid punishment. On 21 December 1985, he attempted to go to sea and flee to Taiwan to go over to the enemy but was caught by fishermen. The pistol and ammunition he stole were also seized at the same time.

Wang Zhaorong, member of the Standing Committee of the provincial party committee and secretary of the provincial Political and Legal Committee; Shen Shanwen, deputy commander of the provincial Military District; and responsible comrades of the Shangrao prefectural party committee and Administrative Office, the Shangrao Military Subdistrict, the Hengfeng County Party Committee and Government, and the provincial, prefectural and county departments concerned attended the meeting.

Comrade Wang Zhaorong spoke at the meeting. He said: The extraordinarily serious "3 December" arms theft case in Hengfeng County was finally cracked. This proves the power of the party's leadership, the masses, the organs of dictatorship and the legal system. Whoever dares defy the law is ultimately unable to escape the net of justice spread by the people and will be punished in accordance with state law. The appearance of this extraordinarily serious arms theft case once again tells us that under the new circumstances, although class struggle is no longer the principal contradiction at home, there still exist counterrevolutionaries, enemy agents, and criminals who sabotage the socialist order. Therefore, class struggle exists within certain limits. We must keep a clear head and uphold the people's democratic dictatorship. At present, our province's social order has clearly improved, but it has not yet fundamentally taken a turn for the better. We must follow the party Central Committee and the provincial party committee's directives and promote both material and spiritual civilization at the same time. To improve social order, we must deal stern blows to serious criminal activities and economic crimes on the one hand, and enact various measures to maintain security on the other.

SHANDONG CONDUCTS TOWN-LEVEL PARTY RECTIFICATION

SK151354 Jinan Shandong Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Excerpts] In line with the arrangement made by the Central Commission for Guiding Party Rectification and the provincial CPC Committee, our province has carried out, in an all-round way, the party rectification work at the township and town level since late January this year.

Units that should take up the work this time include the party and government organs of rural townships and towns; the county's enterprises, establishments, and units; the neighborhood party organizations in urban areas; and a number of rural party branches. These units have 710,000 party members.

In carrying out the party rectification work, the province has adopted the experience gained by the prefectures, cities, and counties in this regard and paid great attention, at the beginning, to conducting education on the fundamental purpose of the party under the impetus of the central authorities with regard to consolidating the work style of organs. It has also regarded as a breakthrough the work of straightening out party style, thus bringing about a strong atmosphere in party rectification and a good start in the drive. The city, prefectural, and county party committees have enhanced their leadership over the work and put forward the striking problems that need to be solved in the drive by conducting investigation and studies over the ideology, work style, and organizational status of party members. The leading bodies that have not been suitable in the party rectification work have been readjusted. The province has also trained a number of support personnel in charge of this work. A large number of principal responsible comrades of the county and city party committees have gone to the townships and towns to personally conduct party rectification mobilization, to give guidance to party members' study, and to help them deal with their problems. In order to enhance the guidance over the party rectification work, localities have reinforced their setups in charge of party rectification and have assigned their able cadres to take charge of inspection and liaison work. According to statistics, party organizations at all levels throughout the province have dispatched more than 15,000 personnel in charge of the inspection and liaison work.

In order to ensure that the party rectification work is carried out successfully, the party committees of various localities have adopted some effective measures in line with their own situation for upgrading the quality of study activities and the effect of educational methods.

The striking characteristics cropping up in the party rectification work at the township and town level are the firm and realistic grasp of the work of correcting mistakes while conducting the party rectification drive and the rapid handling of the problems causing serious complaints among the masses. First of all, the units that have taken up the work have vigorously blocked the malpractices of indulging in extravagant wining and dining and presenting gifts using public funds. They have never held receptions for the leading personnel of their higher organs. The comrades who have gone to townships, towns, and villages have never accepted invitations or drunk wine, and have taken ordinary meals and paid for the meals at the standard price. Therefore, they were highly praised by the masses and the local cadres.

Judging from the current situation prevailing in the party rectification work at the township and town level, we should further strengthen leadership over the work. The principal responsible comrades of the county and city party committees must take personal charge of the work, conduct concrete guidance, do a good job in further studying the documents in order to understand the principal problems needing to be dealt with in the drive, and stress practical effects in order to correct the mistakes while conducting the drive. Efforts should be made to conduct education in a down-to-earth manner on party spirit and on the principle of serving the people wholeheartedly, and to closely integrate the work of studying the documents and upgrading the effect of study with that of solving practical problems. We should pay great attention to the problems cropping up among the units of supply and marketing cooperatives, grain supply, banks and credits, industry and commerce, tax affairs, education, public health, post and telecommunications, communications and transportation, and public security.

The township and town party committees should make concerted efforts with the country-level departments in order to do a good job in earnestly carrying out the party rectification drive.

ZHEJIANG NUCLEAR POWER PLANT UNDER CONSTRUCTION

OW120512 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 10 Feb 86

[Excerpts] The construction of China's first self-designed nuclear power plant is speeding up at (Qinshan), Haiyan County, Zhejiang Province. Recently, station reporter (Liu Yijuan) and (Yu Guangfu) visited the construction site at (Qinshan), and sent in a number of reports on construction. The following is one of their reports entitled "Build Up Our Own Contingent by Self-Reliance."

Dear listeners, the (Qinshan) nuclear power project has progressed smoothly since construction first started in June 1984. On the eve of the Spring Festival, these reporters visited the construction site. We witnessed that the concrete shield around the reactor inside the plant's main [words indistinct] building has already risen 8 meters. An 1,800-meter dike to keep out the sea has been basically completed outside the plant compound. A 10-meter thick foundation for the auxiliary building of the first boiler [yi hui lu] has been completed. The steam turbines in the main building for the second boiler [er hui lu] had been installed.

We interviewed (Yu Hongfu), director of China's first nuclear power plant. This young and energetic director has worked in nuclear chemical engineering and nuclear chemical engineering for over 20 years.

He said to these reporters: [Begin recording] "In developing nuclear power, China must rely on its own equipment. This requires us to garner our own practical experience. At the same time, we must absorb advanced foreign technology. The significant benefit in building the (Qinshan) nuclear power plant lies in that it can train our own contingent, enables us to gain experience, and lays a good foundation for China's nuclear industry. In building a 300,000-kilowatt nuclear power plant, using our own design and home-made equipment, we are also building up our own contingent for designing, building, installing, operating, producing equipment for, and managing more nuclear power plants. I can say that if this project succeeds, we can mainly rely on our own strength in building a second or a third nuclear power plant of still larger capacity; and our country can also open up new vistas in the peaceful use of atomic energy." [end recording]

ZHEJIANG MILITARY COMMANDER HONORS OFFICERS

OW161203 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 16 Feb 86

[Text] Zhejiang Military District Commander Li Qing, First Political Commissar Wang Fang, Political Commissar (Liu Xinsheng), issued a circular order on 15 February to confer Merit Citation Class II on staff officer (Chang Yongyi) and his assistant (Xu Shengkuan).

After completing his task of investigating defense and combat readiness along the coast, (Chang Yongyi) compiled a 100,000-character book on combat readiness which contained more than 3,000 charts and diagrams. He received a first-class award from the Nanjing Military Region. (Xu Shengkuan) invented a dual-purpose boiler whose technical index met the standard set by the state. The boiler is better than other similar products in the country in terms of energy efficiency and smoke elimination and has made a profit of more than 100,000 yuan.

XU JIATUN, REN ZHONGYI AT GUANGDONG CELEBRATION

HK101016 Beijing ZHONGGUO XINWEN SHE in Chinese 1514 GMT 7 Feb 86

[Report by reporters Fang Yuansheng and Xie Jianxi: "Xu Jiatun and Ren Zhongyi Comment on Situation in Hong Kong and Guangdong, Respectively" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 7 Feb (ZHONGGUO XINWEN SHE) -- This evening our reporters conducted a special interview with Xu Jiatun, director of the Hong Kong branch of the XINHUA NEWS AGENCY, who came to Guangzhou to attend a get-together to celebrate the Spring Festival, and Ren Zhongyi, former first provincial CPC secretary of Guangdong. They expressed their views on the situation in Hong Kong and Guangdong, respectively.

Xi Jiatun maintains that over the past year since the signing of the Sino-British Joint Declaration, the development of the situation in Hong Kong has been good on the whole. The concept of one country, two systems has strengthened the confidence and nse of stability of the Hong Kong compatriots. The present situation in Hong Kong is the most stable in the Southeast Asia region. Compared with 1983 and 1984, the present economic development trends of the territory are also good.

Xu Jiatun continued by saying: At present, the centripetal force of the Hong Kong compatriots to the motherland has become increasingly powerful and their patriotic feelings have been increasingly strengthened. As the present situation continues to develop, we are optimistic about the new year. The political situation of Hong Kong this year will be better than last year. The economic situation in the territory might also be maintained in a better way.

Other responsible persons of the Hong Kong branch of the XINHUA NEWS AGENCY who accompanied Xu Jiatun to the get-together included Zheng Hua, Chen Daming, Ke Ping, Li Yaoli, Yang Qi, Niu Zhao, Qiao Zhonghuai, and others. Xu Jiatun stressed that they came to pay a new year's call to the CPC Committee of Guangdong Province, the Guangdong Provincial Government, and the Guangzhou Military Region. The also came to exchange views and information. Hong Kong must rely on the interior -- the provincial CPC Committee of Guangdong, the Guangdong Provincial Government, and the Guangzhou Military Region in particular. Xu Jiatun said that they would return to Hong Kong on 8 February.

Ren Zhongyi said: The present situation in Guangdong is very good. Some problems are those which occur on our path of advance. As long as we deal with them seriously, it will not be difficult to solve them. He expected that the situation in Guangdong in the Year of the Tiger "will be better, and things will get better and better with every passing year!"

Ren Zhongyi also revealed that he stays in Guangzhou very often and is in good health. He reads books and newspapers every day. He thanked the Hong Kong compatriots for the concern shown for him.

This evening's get-together was jointly held by provincial CPC Committee of Guangdong, the Guangdong Provincial Government, the Guangzhou Municipal Government, and the Xuangzhou Military Region. National CPPCC Committee Vice Chairman Wang Guangying; Zhao Puchu; You Taizhong, commander of the Guangzhou Military Region; Guangdong Provincial Governor Ye Xuanping; and more than 1,300 people from various circles attended the evening's party. Provincial and municipal literature and art troupes gave a brilliant performance at the get-together.

GUANGXI VIGOROUSLY DEVELOPS GOLD MINING EFFORTS

HK141147 Beijing ZHONGGUO XINWEN SHE in Chinese 0233 GMT 13 Feb 86

[Text] Nanning, 13 Feb (ZHONGGUO XINWEN SHE) -- It has been learned from departments concerned that Guangxi has adopted measures to vigorously develop the production of gold in an effort to double the present gold output by the end of the Seventh 5-Year Plan period.

Guangxi is one of the important gold-producing areas in China, with gold mines widely dispersed over 46 counties and cities within the autonomous region. Its resources are abundant, and include both gangue and alluvial gold. As some old gold mines do not have much potential to tap now after being exploited for several decades, in recent years departments concerned have paid more attention to the prospecting of new mines. It has been learned that ideal new mines have been found in eight counties, including Rongxian County, which is the hometown of many Overseas Chinese. The gold reserves of the biggest mine are around 20 tons. Of these new mines, the Zhanggongling gold and silver mine in Hexian County and Shuitai gold mine in Shangling County have been put on the list of state construction projects. The state has decided to invest 5 million yuan this year in the Zhanggongling gold and silver mine to prepare to construct a mine capable of exploiting 150 tons of deposits per day. The other mines will also be established and put into production one after another in the coming 5 years.

In order to exploit gold mines, Guangxi will continue to encourage peasants to collectively or individually develop scattered small mines. At present there are already over 20,000 peasants in Guangxi engaged in mining gold. With a view to better promoting the production of gold, departments concerned in Guangxi have decided to strengthen control over gold work, including reforming the management structure and setting up central gold ore dressing plants, instituting a system to award miners selling gold to the state, conducting education for miners who hide and sell gold in secret, and severely punishing according to law those lawless persons who illegally purchase, sell, resell, and smuggle gold.

HUBEI REDUCES RURAL MANAGEMENT PERSONNEL NUMBERS

HK131308 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 12 Feb 86

[Text] Since 1985, all places in our province have seriously implemented the spirit of the relevant documents of the central authorities and vigorously reduced the number of the rural management personnel to lighten the burden of peasants.

According to statistics, the number of rural economic and general affairs management personnel in the whole province by the end of 1985 was 33,000, some 3,700 less than in the corresponding period of preceding year. Calculated on the basis of each person's annual wages as 600 yuan, the peasants' burden was lightened by at least 2.22 million yuan.

The reduction in the number of district and township general affairs management personnel by Jingzhou Prefecture is the largest. Jingzhou Prefecture originally has some 7,400 general affairs management people and later reduced them by some 1,400. It now has about 6,000 general affairs management people.

The reduction in general affairs management people not only lightens the peasants' burden; the redundant personnel can be sent to reinforce all trades and professions in rural areas. This is beneficial to the promotion of the still faster development of the rural economy.

GUIZHOU MEETING DISCUSSES PRODUCTION PROBLEMS

HK150249 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Excerpts] The provincial people's government held a telephone conference on industrial production on 14 February, which reported on the January production situation and demanded that the staff and workers of the industrial and communications system urgently mobilize and work in concert to promote production as quickly as possible and strive to fulfill the first quarter production tasks. Governor Wang Chaowen and Vice Governor Liu Yulin took part in the meeting and spoke. The meeting pointed out that due to shortages of electric power, fuel, and raw materials, and also to objective reasons, the province failed to achieve the January industrial production plan. It is essential to attach great importance to this situation. All areas and departments must immediately carry out a serious analysis of current industrial production and review experiences and lessons. In particular, they must discover the objective reason, see the favorable factors and the potentials, and study and decide on corresponding effective measures to rapidly promote production. The meeting put forward the following demands on current production:

1. Brace spirits and unify understanding. Comrade Hu Yaobang recently came to Guizhou and delivered instructions on the province's industrial and agricultural production, specifically setting out the province's goals of endeavor in economic development. The cadres at all levels must apply these instructions to unify their thinking.

2. Persevere in reform and further mobilize the enthusiasm of the enterprises and the staff and workers.

3. Focus on the key points. On the basis of getting a clear idea of the situation, it is necessary to arrange work in order of priority and put all measures on a sound basis.

4. Work hard to bring into play the benefits of those projects that have gone into production.

5. Improve leadership style and work efficiency. It is essential to devote great efforts to achieving a better level of production in February and March and ensure a certain growth rate under the premise of improving economic results.

GUIZHOU PEASANTS PER CAPITA INCOME INCREASES

HK130703 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 12 Feb 86

[Excerpts] According to a recent sample survey conducted by the provincial rural sampling survey team on the income and expenditure of 2,240 peasant families in 32 counties, cities, districts, and special districts, including Zunyi, Tongzi, Sinan, Puan, (Hezhang), Yongan, Majiang, Huaxi, and Liuzhi, the per capita income of the peasants in 1985 was 397.58 yuan, and their net per capita income was 287.41 yuan, increases of 12 and 14 percent respectively over 1984.

The survey indicates that, except for a reduction of 13.14 yuan in the per capita income from grain due to the decrease in grain output in 1985 through natural disasters, their income increased over 1984 in forestry, animal husbandry, fishery, the building industry, transport, commerce, the catering industry, service industry, industry, the handicraft industry, and labor services. The peasants' main source of cash income was in selling commodities. Their per capita income from selling grain, pigs, poultry, and eggs alone amounted to 129.58 yuan, an increase of 18.8 percent over 1984. As a result of the development of commodity production, the number of poor households decreased while that of better-off households increased. Of the over 2,000 peasant households surveyed, there are 1,385 households whose per capita income is less than 300 yuan, marking a decrease over 1984, and 855 households whose per capita income is more than 300 yuan, marking an increase over 1984.

HEBEI SECRETARY ATTENDS TEACHERS FESTIVAL FORUM

SK150245 Shijiazhuang HEBEI RIBAO in Chinese 2 Feb 86 p 1

[Text] On 1 February, the scientific and educational department of the provincial CPC Committee, the provincial educational commission, and the provincial educational workers trade union jointly held a forum to extend festival regards to teachers. More than 40 representatives of teachers in Shijiazhuang and leading comrades of the province happily gathered to speak glowingly of the achievements made by the educational front over the past year and to discuss a matter of vital importance concerning vitalizing educational undertakings.

The representatives of the teachers participating in the forum were very excited. They said that since the 3d Plenary Session of the 11th CPC Central Committee, the party and the government have shown cordial concern for the teachers by taking a series of measures for upgrading the political position of teachers, helping them to solve many practical problems, and improving their working and living conditions. The representatives of teachers of institutions of higher learning set forth good opinions on the orientation for running normal schools, and on the educational reform and scientific research among the institutions of higher learning. In their speeches, the representatives of the teachers analyzed the current situation in which schools are carrying out ideological and political work, and called on the whole society to show concern for the growth of youngsters and to strengthen the education on "having ideals, morality, knowledge, and a sense of discipline" and the education on legality among the students or primary and middle schools and universities. They also put forward their ideas on developing preschool education, universalizing the 9-year compulsory education, achieving the secondary educational restructure, and grasping the education especially for the blind and the deaf-mutes.

Leading comrades of the province, including Xing Chongzhi, Chen Yujie, and Wang Zuyu, made speeches and extended festive greetings to the teachers. Among those present at the forum were Han Qimin, Wang Enduo, and Xu Ruilin.

TIANJIN'S NI ZHIFU VISITS GARRISON DISTRICT

SK060335 Tianjin City Service in Mandarin 1430 GMT 5 Feb 86

[Text] This afternoon, together with the responsible comrades of relevant departments, leaders of the municipal CPC Committee, the municipal People's Congress, the municipal government, and the municipal CPPCC Committee, including Ni Zhifu, Li Ruihuan, Wu Zhen, Nie Bichu, Bai Hua, Zhao Jun, Lu Xuezheng, Zhao Jinsheng, Zhent Wantong, and (Huang Yanzhi), visited the organ of the Tianjin Garrison District. Zheng Guozhong, commander of the Tianjin Garrison District, and Lan Baojing, political commissar of Tianjin Garrison District, gave them a warm welcome.

Before this, the municipal CPC Committee and the municipal government respectively sent four groups to extend regards to the organs at or above the division level, cadres' sanatoriums, and hospitals under the Tianjin Garrison District. The groups helped solve and explained the problems regarding military training, production, and the livelihood of armymen. The Army forces were very satisfied with this.

GANSU CIRCULAR CALLS FOR FIGHTING DROUGHT

HK160323 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 15 Feb 86

[Excerpts] The provincial government recently issued a circular calling on the province to base its spring farming efforts on taking precautions against and fighting drought.

The circular said: There has been very little precipitation since last winter, and temperatures have been higher than normal. Soil moisture is rather low in most places. There is also less water in the reservoirs in the Hexi area than in normal years. Autumn and winter irrigation in some places was not done as well as in the past. At the same time, according to meteorological departments, rainfall in March, May, and June this year will be less than normal, and some places will suffer spring and summer drought. This is particularly likely in the central part of the province. In addition, due to the dry winter and spring drought, there will be a medium infestation of plant diseases and insect pests.

The circular demands that various localities act in light of local conditions in taking precautions against and fighting drought, and make a success of spring farmwork.

XINJIANG REPORTS ON RURAL WORK, REFORM

Part 2

HK130340 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 4 Feb 86

[Report by Tomur Dawamat, deputy secretary of the regional CPC Committee and chairman of the regional government, at rural work conference in Urumqi from 22 January to 2 February: "Further Implement Policies, Continue To Conduct In-depth Reform, and Promote the Rural Economy To Develop Continuously, Steadily, and in a Coordinated Way" -- recorded]

[Excerpts] III. Continue Reform; Carry Out Reform in Depth

The in-depth development of rural reform in vast areas involves the relationships between the city and countryside, between workers and peasants, and between supply and demand. This will inevitably affect the traditional management system and be tied more and more closely to the overall national economy. After the meeting of urban and rural reforms, there may be increases or decreases in the prices of a handful of commodities this year in accordance with the market demand and the ability of factories, commercial, and financial departments and on the premise of maintaining the prices of most commodities. The initial idea is to reasonably increase the purchase prices of wool and other livestock products and grain; to reasonably decrease the sale prices of chemical fertilizer and other means of agricultural production; to reduce unreasonable price increases for electricity; and to appropriately widen the price differences of different commodities in accordance with the principle of high prices for fine products. The price of wool should be calculated in [words indistinct] in accordance with the spirit of the document issued by five central ministries and commissions. It is necessary to instruct the regional planning committee, the regional economic committee, the regional price bureau and other departments concerned to formulate concrete plans for implementing the above measures and then report them to the regional people's government for approval and implementation.

State-run commerce must play an active role in market regulation so as to stabilize the relationship between supply and demand.

Therefore, it is necessary to speed the reform of state-run commerce, to give new vitality to state-run commerce, and to thoroughly change aspects of the situation unsuited to opening up to the outside world and enlivening the domestic economy.

Supply and market cooperatives, as the main channel in rural circulation, must speed reform and change themselves not just in name but in reality from officially run organizations into cooperative economic organizations run by peasants.

In circulation, we must emancipate our minds to add some new channels. We must boldly try new types of commercial enterprises involving different areas which either combine agriculture and industry, agriculture and commerce, or industry, agriculture and commerce, so as to solve the problem of poor circulation in all fields. Meanwhile, we must further perfect the economic contract system in accordance with the principle of voluntary participation and mutual benefit so as to coordinate peasants' economic activities and to bring rural commodity production in line with the state plan.

It is necessary to further develop and perfect local cooperative economic organizations which combine centralized and decentralized operations, and various specialized cooperative organizations. It is particularly necessary to encourage peasants to cooperate in the processing, storage, delivery, and sale of agricultural products.

IV. Never Relax Grain Production; Continue To Develop Diversified Economy

In accordance with the principle of carrying out small readjustments while retaining overall stability, the region must, on the basis of ensuring a steady increase of grain output, develop diversified economy in 1986. The grain-growing area must not be further reduced, but must be rationally increased. In particular, it is necessary to expand the area for growing [words indistinct] and other forage, and for growing green manure crops. On the premise of ensuring grain production, we must go all out to develop diversified economy according to the needs of market and natural resources. We must stress upgrading the average operation level, increasing the yield per unit area, and upgrading product quality. We must gradually set up commodity bases to produce fine quality grain, cotton, melons, and fruits so as to have good, diverse commodity production.

Grain is a commodity subject to planning. The target set by the region for grain purchase by contract is a mandatory one. Government at all levels must assign the task level by level to peasant households and production units that really have the ability to sell grain. Purchase units can thus directly negotiate with peasant households and sign grain purchase contracts directly. Each party to the contract must understand the reasonable demands and practical difficulties of the other side. The means of production to be requisitioned for use at low prices as stipulated by policy must be included in the contracts. Once signed, all contracts must be properly executed by both sides. In order to arouse the enthusiasm of peasants for producing grain, it is necessary to adopt different grain purchase policies according to different conditions. Grain purchase contracts must be signed before the Spring Festival.

V. Put Animal Husbandry in a More Prominent Position

Putting animal husbandry in a more prominent position is a great transformation in the region's rural economic structure and strategic layout. To achieve the transformation, the essential thing is that we deepen our understanding of animal husbandry and strengthen our leadership over animal husbandry and work in pastoral areas. The development of animal husbandry is an important issue concerning whether or not rural and pastoral areas can become rich.

The regional CPC Committee and people's government have decided to implement Comrade Hu Yaobang's instruction on putting animal husbandry in a more prominent position, adhered to the principle put forth by the central leadership on vigorously developing animal husbandry, and done their utmost to change the long-standing situation of underdeveloped animal husbandry. Principal party and government leaders at all levels must attach importance to animal husbandry production, and promptly and properly solve various problems arising in the course of developing it. Planning, financial, and materials departments must treat animal husbandry as an important issue and vigorously support its development. In doing so, we must proceed from the region's reality, adhere to the principle of laying equal stress on animal husbandry in rural areas and animal husbandry in pastoral areas, and developing animal husbandry in rural, pastoral, and city suburban areas simultaneously.

As there are abundant forage resources in the region's rural areas, there are good prospects for developing animal husbandry. Experience in many areas indicates that developing animal husbandry in rural areas can not only increase peasants' income, promote the development of the processing industry, and make peasants rich at an earlier date, but can also alleviate the burdens on pastoral areas and provide pastoral areas with a chance for rehabilitation. To develop animal husbandry in rural areas, we must first change the previous practice of treating it as a sideline production and make it one of the main rural products. Farming and animal husbandry depend on and promote each other. Without farming as a foundation, it is impossible to develop animal husbandry; likewise, without the support of animal husbandry, it is also impossible to continuously and steadily develop farming in rural areas. We must properly combine farming on the first line with animal husbandry production on the second line, and establish a farming-breeding type agricultural structure so as to achieve better economic results and improve ecological balance.

It is necessary to further implement various policies on animal husbandry. More than 90 percent of livestock owned by collectives in the region has now been sold to peasant households on the installment plan. Most grasslands have been contracted for by individual households. This should be continuously consolidated and perfected through investigation and study. Payment of livestock sold to peasants should be spread over 10 to 15 years. The money received for payment of livestock sold to peasants and grassland fees collected must be properly controlled. The money should be used for developing animal husbandry, not for other purposes.

Part 3

HK130544 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 5 Feb 86

[Excerpts] VI. Town and Township Enterprises Must Develop Rapidly

In 1985 town and township enterprises in the region earnestly implemented the spirit of Document No 4 of 1984 and Document No 1 of 1985 issued by the central leadership, thereby achieving relatively good results. The total income of the region's town and township enterprises for 1985 is expected to reach 900 million yuan, an increase of 42 percent over 1984 and attaining the target of an annual increase of 200 million yuan. The industrial output value of the town and township enterprises is expected to reach 400 million yuan, an increase of 87 percent over 1984. More than 260,000 people were employed by the region's town and township enterprises in 1985, an increase of 55.7 percent over 1984. What is gratifying is that the total income of town and township enterprises in Changji Autonomous Prefecture, Kashi Prefecture, and Urumqi County exceeded 100 million yuan. This is a big breakthrough. The number of counties whose town and township enterprises' income exceeded 10 million yuan increased from 19 in 1984 to more than 30 in 1985.

Practice has proven that developing town and township enterprises is the road the region must follow in invigorating its rural economy, and is of great importance to promoting the readjustment of the region's rural production structure, to [words indistinct], to making peasants and herdsmen affluent as soon as possible, to doubling and quadrupling the region's agricultural output value, and to building a new socialist countryside with Chinese characteristics. We must fully understand this.

Town and township enterprises in the region are only in an early stage, and the region lags far behind other provinces and regions in this respect. Therefore, the region must rapidly and vigorously develop town and township enterprises. On one hand, it is necessary to properly consolidate and improve existing enterprises, tapping their potential; on the other hand, it is necessary to develop some new projects in a planned way and adhere to the principle of townships, villages, combined households, and individual households developing projects simultaneously. We must stress developing agricultural and sideline products and the food and plastics industries, in line with the principle of using agriculture as the base and serving agriculture.

In addition, we must pay particular attention to introducing investment from other provinces and autonomous regions and establishing lateral ties within the region; extensively and widely carry out economic and technological cooperation; encourage lateral economic combinations involving different areas and trades; and actively bring in technology, funds and talented people from other provinces and regions.

VII. Increase Investment; Continuously Improve Conditions for Developing Agriculture and Animal Husbandry

This year's Central Document No 1 pointed out that to maintain a balanced development of industry and agriculture, from the Seventh 5-Year Plan, the state will reasonably increase its investment in capital agricultural construction and agricultural administration costs. Increasing investment and continuously improving conditions for developing production of agriculture and animal husbandry is not only necessary for current production but also for the vigorous development of agriculture and animal husbandry in the last 10 years of this century. Without this, there will be no future benefits in the development of agriculture and animal husbandry. We must realize that the relatively high growth rate in the region's agriculture and animal husbandry over the past few years is mainly due to the contract responsibility system on a household basis and the accumulated achievements in capital agricultural construction over the past 30-odd years. The existing foundation cannot maintain a protracted and steady growth in agriculture and animal hunbandry, and give special consideration to the more vigorous development of agriculture and animal husbandry in the future. We must increase investment. The central leadership has decided to increase investment in agriculture, and the regional authorities will also reasonably increase investment in capital construction in agriculture and animal husbandry and administration costs for agriculture and animal husbandry. It is hoped that all prefectures, autonomous prefectures, and counties follow suit. They must do their utmost to increase investment in agriculture and animal husbandry.

Water conservation is a prerequisite for developing the region's agriculture and animal husbandry. Comrade Wang Enmao has always paid serious attention to this. His 5-year policy on rural construction with water conservancy as its central point is a scientific summary of the focus and target of the region's capital agricultural construction, and is characterized by a distinctive Xinjiang style. We must firmly and properly grasp water conservation work.

According to weather forecasts, there may be serious droughts in the region this year. All localities must properly carry out anti-drought work. In addition, we must exert more efforts to improve saline-alkaline soil. During the Seventh 5-Year Plan period, we must strive to fulfill the plan of improving 1 million mu of saline-alkaline land each year.

Water conservation construction in pastoral areas is a weak link in the region's water conservation work. During the Seventh 5-Year Plan period, we must grasp the building of grasslands. While preserving and improving natural grassland, we must vigorously build bases for producing man-made forage grass, installations for processing forage grass, and livestock sheds and pans. Water conservancy departments must pay serious attention to water conservancy construction in pastoral areas and give support in organization, technology, and funds to grasp the work effectively.

Developing afforestation for our motherland is China's basic policy and an important measure for improving production conditions and ecological environment. The region has a poor foundation in forestry production and ecological environment. Serious natural disasters often occur in the region. It is therefore necessary to persevere in vigorously developing forestry. We must further implement policies on forestry and arouse universal enthusiasm for planting and raising trees. We must continue to grasp the construction of shelter-forests in farm land so that more counties can achieve the target of all farmland protected by shelter-forests. Low-yield farmland should be converted to forests according to local conditions.

VIII. Rely on Science and Technology To Develop Productive Forces

The fundamental solution for agriculture lies in technological transformation. Experience in agricultural development both at home and abroad indicates that the economic results per unit area yielded by labor force and funds are restricted by backward science and technology. Without development of science and technology, some day we shall [words indistinct]. Since the 3d Plenary Session of the 11th CPC Central Committee, along with the in-depth development of rural reform, the region has strengthened scientific and technological work in agriculture and animal husbandry. The promotion of some new scientific and technological achievements and the wide use of fine varieties have produced good economic results.

The successive years of bumper harvest in the region were closely related to the hard work of scientific and technological personnel, those on the agricultural and animal husbandry fronts in particular. The current problem is that in order to continue developing the excellent rural situation and to further develop the rural economy, merely arousing peasants' and herdsmen's enthusiasm is insufficient. We must arm peasants and herdsmen with science and technology. Only by strengthening work in scientific and technological resources is it possible to make new and greater developments in agriculture and the whole rural economy. This is the key to further development of the region's rural economy. Party and government cadres at all levels must further understand the importance of science, technology, business management, knowledge, and talented people, and must firmly grasp the matter with their practical action.

On the issue of using science and technology to serve the rural economy, we must stress the following at present and for a relatively long time to come:

1. We must rely on science and technology to upgrade yield per unit area, to improve the variety and quality of agricultural and livestock products, and to promote the production of agriculture and animal husbandry at a relatively high technological level.

2. We must arm town and township enterprises with science and technology and actively train and dispatch management executives to town and township enterprises.

3. We must continue to properly investigate agricultural resources and carry out agricultural zoning, make full use of the achieved results, and properly readjust the rural production structure.

4. We must pay serious attention to training talented people for rural areas.

Two problems now exist in the region's science and technology of agriculture and animal husbandry:

1. Some scientific and technological research achievements have not yet been promoted due to lack of technological coordination and effective organizational guidance.

2. Production and management departments in agriculture and animal husbandry have failed to closely cooperate with scientific and technological research departments in agriculture and animal husbandry. They have separate systems. The problem of separation between scientific research and production has not yet been properly solved.

Therefore, we must adhere to the principle that economic construction should rely on science and technology, and science and technology must serve economic construction; strengthen the cooperation between [words indistinct] and actively promote the existing scientific research achievements and trial technology.

Part 4

HK130710 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 6 Feb 86

[Excerpts] IX. Properly Carry Out the Work of Supporting Poor Areas; Effectively Alleviate Peasants' and Herdsmen's Burden

Although the region's rural economy has developed greatly and the livelihood of peasants has been upgraded, peasants and herdsmen in some areas are still poor. Twelve percent of peasant and herdsmen's households have a per capita annual income of less than 100 yuan. The poor areas are mainly in Hotan Prefecture, Kashi Prefecture, Kizilsu Autonomous Prefecture, and some pastoral areas in central and eastern parts of Tianshan. There are also one or two poor townships and villages in prefectures, autonomous prefectures, and counties in which the economy is relatively developed and the per capita income is high. Due to historical reasons and the disparity in natural conditions, economic structure, foundation, and implementation of policies, there is uneven economic development in southern and northern Xinjiang and in rural and pastoral areas. We must correctly analyze and appraise this.

Helping poor areas to change their circumstances is an important matter with great political and economic significance. When inspecting the region last year, Comrade Hu Yaobang pointed out that making our country powerful and prosperous and the people rich is our goal for building socialist modernization. Cadres at all levels and party members must think and do everything with this goal in mind. This is also our guiding thinking in carrying out the work of supporting the poor. In this year's rural reform we must implement the party's policy of making the people affluent in all-round way. While encouraging some areas and peasants and herdsmen to become rich first, we must also help poor areas and households to change their situation so as to attain the goal of common prosperity.

In helping poor areas to be rid of poverty and become affluent, on the one hand we must adopt an active attitude; on the other, we cannot expect too much but must proceed from reality, act in accordance with the laws of nature and the laws of economy, and solve the problem in groups and by stages.

According to conditions, poor areas can pay less agriculture and animal husbandry tax or town and township enterprise tax or be exempted from the taxes. Collectives should reserve as little retention money as possible and spend less on administration. All unreasonable charges on peasants should be cancelled to alleviate their burden.

On the use of funds for supporting the poor, it is necessary to review previous experiences and draw lessons so as to use the funds concentratedly and appropriately. It is necessary to thoroughly check the previous funds for supporting the poor and let all prefectures and autonomous prefectures arrange and use the funds in a unified way.

On the issue of supporting poor areas and households in science and technology, in addition to giving them specific technological guidance, it is necessary to train technological personnel for poor areas in groups, by stages, based on the county unit, so as to upgrade the scientific and technological level of poor areas. We can also select some outstanding cadres of the third echelon from prefectures, autonomous prefectures, and counties and dispatch them to poor areas to carry out work and temper them in rotation. They should be given preferential treatment in wages.

Party and government organs at all levels must put supporting the poor high on their agenda, formulate feasible plans for getting rid of poverty, make concrete arrangements, be determined to carry out the plans and arrangements, and strive to achieve better results within 3 to 5 years.

On the issue of the peasants and herdsmen's burdens, as instanced in reports from all areas in the region, units and departments in some areas arbitrarily charged peasants and herdsmen and wantonly raised funds and collected various fees from them. Peasants and herdsmen complained bitterly about this. The main reason for this is some departments and units have overestimated the degree of wealth of peasants and herdsmen. They want to do everything in a big way and apportion charges to, and raise money from peasants and herdsmen far beyond the latter's means.

Just like the issue of helping poor areas, alleviating the peasants and herdsmen's burden is an important rural policy of the party. The CPC Central Committee and State Council have given repeated injunctions and specially issued a document on this. The regional authorities will also issue a document on it. All prefectures, autonomous prefectures, cities, and counties must seriously implement the documents and carry out the work in a down-to-earth manner.

X. Bring Into Full Play the Role of the Xinjiang Production and Construction Corps in Building Agricultural Modernization in the Region

The Xinjiang Production and Construction Corps is a powerful force for consolidation, for developing stability and unity in the region, and for safeguarding the motherland. Farms under the corps are state-run agricultural enterprises which develop agriculture, forestry, animal husbandry, sideline production, and fishery in an all round way and engage in comprehensive operation of agriculture, industry, and commerce. With a relatively developed commodity economy, the farms under the corps are driving forces in building agricultural modernization in the region.

It is hoped that the Xinjiang Production and Construction Corps will make continuous efforts, take new steps in reform and production, achieve greater results, and play a more important role.

The farms must resolutely implement the spirit of Document No 1 of the central leadership, put reform above all else, continue to review the experiences of running household farms, and solve new problems which may arise from time to time. In particular, they must properly solve the problem of alleviating the burden of their staff and workers, so that the system of dual operation of big farms and household farms can be perfected.

As in the past, the region must vigorously support the economic development of the Xinjiang Production and Construction Corps, highly value the corps, an important force, and bring into play the role of the corps in exploiting and building Xinjiang. All localities must support the corps and the corps must support all localities. They must promote each other and develop jointly.

XI. Strengthen Leadership Over Rural Work; Attach Importance To Building Spiritual Civilization in Rural Areas.

The in-depth development of rural reform has resulted in changes in the contents and forms of rural work. Leaders at all levels are thus required to adopt themselves to the new situation. They must study not only the internal relationships of agriculture but also the relationship between supply and demand. They must know the law of commodity economy and take an overall view of the economic situation.

Leaders at all levels must earnestly study and implement the spirit of the speeches delivered by Comrade Hu Yaobang and other central leading comrades at the central organ cadres meeting, correct malpractices, oppose corruption, overcome bureaucratism, seriously improve leadership style, and set an example in correcting party style.

Strengthening the building of rural grass-roots party organizations and rural grass-roots structures and upgrading the quality of cadres at all levels are the foundation for properly carrying out rural work. The vast majority of grass-roots party organizations, party members and cadres in the region are good. They work hard on the first line of production of agriculture and animal husbandry and have made great achievements. On behalf of the regional CPC Committee and the regional people's government, I hereby extend thanks to them.

However, in the preceding stage, quite a few areas neglected the building of rural grass-roots party organizations and ideological and political work. The phenomenon of lax organization and poor work can be seen in many places. Some party member cadres engaged in malpractices and were divorced from the masses.

This year we must properly consolidate, upgrade, and train grass-roots leadership groups in connection with party rectification in rural areas and upgrade the cultural level and political quality of grassroots cadres. Through party rectification, we must strengthen the fighting power of grass-roots party organizations and bring into full play the role of party members as pioneers and vanguards. We must encourage those grass-roots party member cadres and party members who led the masses in getting rich and who took the lead in becoming affluent through labor, and guide them to help and lead the masses to get rich jointly. Those who got rich by taking advantage of their power must be criticized and educated. Those who violated law and discipline must be severely punished.

Our region is a big family inhabited by many nationalities. We must fully understand the importance of unity of nationalities, deeply conduct education in unity of nationalities and nationality policies, and firmly establish the idea of inseparable relations between the Han and minority nationalities.

Rural work organs under CPC committees and governments at all levels are concrete work departments through which the party and government exercise their leadership over rural work. Under the current situation of rapid development in rural areas, we must pay particular attention to building rural work organs, strengthen our leadership, transfer competent persons to rural work organs, and fully exploit their role.

Comrades, this year is the first year of the Seventh 5-Year Plan, as well as a year for further in-depth development of rural reform. We must seriously implement the spirit of the central rural work conference and Document No 1, adhere to reform, carry out reform in depth, do rural work in a down-to-earth manner, strive to reap bumper harvests for 9 years in succession in the region, promote a continuous, steady, and coordinated development in the region's economy, and make greater contributions to making our country prosperous and powerful and the people rich.

BRIEFS

XINJIANG EDUCATION BOOST -- Urumqi, 17 Feb (XINHUA) -- More than 2,800 college and middle school teachers from Xinjiang Uygur Autonomous Region have been trained in other parts of China over the past 2 years. The remote north-western region has established links with colleges in Beijing, Shanghai, and 15 provinces and regions since 1982, a local education official here said. These colleges sent more than 300 professors and lecturers to teach in Xinjiang, and enrolled 2,160 ethnic minority students from the region. They also provided schools in Xinjiang with books and teaching facilities worth more than 5 million yuan. Last year, the region signed agreements with 10 universities in Beijing, Shanghai, and other big cities to train 180 graduate students from Xinjiang in the next 5 years. [Text] [Beijing XINHUA in English 0708 GMT 17 Feb 86 OW]

COMMENTARY LABELS REUNIFICATION TALK 'PROPAGANDA'

OW140829 Taipei International Service in English 0200 GMT 14 Feb 86

[Station commentary]

[Text] On the eve of the Chinese lunar new year, which began on Sunday [9 February], Peking expectedly launched another propaganda barrage to sell its peaceful reunification plan. The official PEKING REVIEW even promised that the Chinese people in Taiwan could retain their present system until at least 2047, the year Hong Kong guarantee has expired under the 1984 pact between London and the Chinese Communist regime. The XINHUA NEWS AGENCY claimed that the ROC people are defying the government policy of no contact, no negotiations, and no compromise, citing as evidence some unauthorized private visits to the mainland by ROC citizens and indirect trade between Taiwan and the mainland. It must be pointed out that those who have visited the mainland against the government advice are extremely small in number. Furthermore, the action has nothing to do with politics. They took the trip only to meet their relatives, not as a gesture in support of Peking's call for reunification under communism. The fact that none of the visitors stayed on the mainland or paid a second visit is positive proof that they don't like what they saw and heard on the mainland.

As for indirect trade, it has even less bearing on the reunification issue. To begin with, there is no way for the ROC Government or manufacturers to prevent goods already exported from being shipped to the mainland. Peking's claim that indirect trade shows the mutual economic dependence between the two parts of China is equally absurd. The Republic of China became prosperous without getting any help from the mainland. Besides, the volume of indirect trade accounts for only a fraction of 1 percent of the Republic of China's total trade, far too insignificant to make any difference to its economy.

As for Peking's guarantee that the ROC may keep its present system as long as Hong Kong does, it is worth nothing. Even a fool would not trust it. Even the PEKING REVIEW admitted that most people are concerned about whether the Communist Party will swallow up or assimilate Taiwan within the next 62 years. As a matter of fact, the concern has already been justified as far as Hong Kong is concerned. Developments of the past several months have amply revealed Peking's plan to seize the control of the territory long before the 1997 takeover. If the Republic of China were to agree to the Hong Kong formula, it would certainly be swallowed up in no time. Only an idiot could place trust in Peking's promises and pledges.

U.S. RELATIONS WITH TAIWAN, PRC DEBATED

OW130841 Taipei International Service in English 0200 GMT 13 Feb 86

[Station commentary]

[Text] U.S. Assistant Secretary of State Paul D. Wolfowitz told the Senate Foreign Relations Subcommittee earlier this week that U.S. ties with the Republic of China do not conflict with U.S. relations with Peking, and the United States has been much more respected in the world as a result. Reaffirming the U.S. commitment to the defense of Taiwan, Wolfowitz said: We will keep this commitment. He said he sees no conflict between the Taiwan Relations Act and the 1982 Joint Communique.

Seven years after the U.S derecognition of Taipei, Washington-Peking ties are once again causing worries to the people of Free China and their friends in the United States, as the United States appears moving steadily to form a quasi-ally relationship with Red China.

The relaxation of restrictions on technology transfer to Peking and the decision to sell military equipment to Red China are instances that stand out sharply in contrast with Washington's reluctance to sell more sophisticated defense weapons to the Republic of China.

However, ROC-U.S. ties on the whole are on an even scale. Despite the absence of diplomatic representation, these ties are so close that they can be even between two formal allies. The government and people of Free China also have an implicit trust in President Ronald Reagan in his pledge not to betray the 19 million Chinese on Taiwan. Taipei can draw comfort from the fact that Washington has refused to stop arms sales to the ROC or to apply pressure on the Chinese Government to enter peace talks with Peking. It shows the Reagan administration is aware that the last line of retreat has been reached so far as Taipei-Washington ties are concerned.

Still, one cannot help wondering how the U.S. commitment to the security of Free China can be sustained if Washington continues to uphold the August 17 Joint Communique more than it does the Taiwan Relations Act. As an American congressman recently pointed out, the two documents do contradict each other. The Taiwan Relations Act calls for sales of weapons to the Republic of China sufficient for its defense, whereas the Joint Communique obligates the United States to gradually reduce its arms sales to the ROC. The only thing that mitigates the contradiction between the two is the proviso in the Joint Communique that the reduction of arms sales is based on the assumption that Peking will not resort to force to achieve reunification. The trouble is that Washington has taken Peking's so-called peaceful intentions for granted. Well, the Chinese Communist regime has adamantly refused to rule out the use of force to bring the Republic of China to its knees.

CHIANG RECEIVES S. AFRICA ENVOY, U.S. GROUP

OW131415 Taipei CNA in English 1343 GMT 13 Feb 86

[Text] Taipei, Feb. 13 (CNA) -- President Chiang Ching-kuo of the Republic of China Thursday received South African Ambassador P. van Vuuren and a mission of the U.S. House of Representatives led by Rep. Donald K. Sundquist (R-TN). Van Vuuren, who is scheduled to leave for home in early March for a new assignment, visited President Chiang to bid him farewell.

During the audience, President Chiang lauded the out-going ambassador for his outstanding contribution to the promotion of diplomatic, economic, and other relations between the two countries. The South African ambassador expressed thanks to the ROC Government and people for the assistance and support accorded to him during his tour of duty in Taipei.

President Chiang also received Rep. Sundquist and other members of the congressional mission, including Rep. Harold Rogers (R-KY), Rep. Webb Franklin (R-MS), and Rep. John R. Miller (R-WA). During the meeting, President Chiang exchanged views with the U.S. lawmakers on the relations between the two countries and urged them to visit various parts of the country during the Chinese lunar new year so as to better understand the Chinese society and its culture and customs.

The U.S. lawmakers, who arrived here Tuesday for a five-day visit, were also received Thursday by Premier Yu Kuo-Hwa. Yu exchanged views with them on matters of mutual concern.

The South African and U.S. visitors were accompanied during the meetings by Shen Chang-huan, secretary general of the Presidential Office.

KMT SECRETARY GENERAL ADDRESSES OVERSEAS CHINESE

OW150349 Taipei CNA in English 0239 GMT 15 Feb 86

[Text] Taipei, Feb. 14 (CANA) -- The nation has overcome many difficulties and made remarkable achievements in various fields in the past year, Mah Soo-lay, secretary general of the Central Committee of the ruling Kuomintang, told a group of Overseas Chinese visitors and scholars Friday. Speaking at a New Year party in honor of Overseas Chinese representatives and scholars, Mah said that the nation encountered some problems last year as the world economy remained sluggish and the local industry underwent transformation. Thanks to right government policy and concerted efforts of the public and private sectors, the nation managed to tide over the difficulties and made steady progress on different fronts.

Politically, the government successfully held fair local elections. Economically, the government has drawn up a blueprint for future development. Technologically, local researches have scored some significant breakthrough in certain strategic industries.

On the mainland situation, Mah asserted that Peiping's current economic reforms can never succeed and that power struggle in the Communist Party will become even fiercer in the future. The democratic movement staged by mainland students in recent years also would pose heavy pressure on the Peiping regime, the ranking KMT official noted.

On Overseas Chinese affairs, Mah stressed that the government will continue offering services and care for Chinese nationals residing abroad and returning Overseas Chinese scholars and their dependents.

Tseng Kwang-shun, chairman of the Overseas Chinese Affairs Commission, also spoke at the occasion. Tseng said Overseas Chinese people have expressed loyalty and firm support for the national cause in past years. He called on Chinese people both at home and abroad to dedicate themselves to the mission of national recovery in the coming years.

The New Year gathering was co-sponsored by the Overseas Chinese Affairs Commission and the KMT Central Committee's Department of Overseas Affairs. Hundreds of Overseas Chinese representatives and scholars, as well as government and party officials attended the gathering.

PREMIER COMMENTS ON RELATIONS WITH LATIN AMERICA

OW151415 Taipei CNA in English 1354 GMT 15 Feb 86

[Text] Taipei, Feb 15 (CANA) -- Premier Yu Kuo-hwa said Saturday that the Republic of China maintains good relations with many Latin American nations and hopes to strengthen cooperation with them in the future. In an interview with Regino Diaz Redondo, director of the influential Mexican newspaper EXCELSIOR, Premier Yu said that the political and social instability in many Central and South American countries, caused by the economic problem due to huge foreign debts, could make them vulnerable to infiltration by international communists.

The premier reminded Latin American nations that communism can bring nothing but poverty and disasters to human beings. He called on nations in that part of the world to cooperate closely among themselves and develop their own political and economic systems in order to achieve progress and prosperity. In the interview, Premier Yu, on behalf of the government and people of the Republic of China, extended regards to Mexican people. He also expressed the hope that the two countries will expand cooperation in cultural and technological fields in the coming years.

On the China unification issue, Yu pointed out that reunification is a common wish of Chinese people on both sides of the Taiwan Straits. He told the Mexican journalist that the principal obstacle to the reunification of China is the Chinese Communist tyrannical rule on the mainland which deprive mainland people of freedom and other civil rights. Yu predicted that China will be reunited as soon as the Peiping regime give up communism and opt for democracy and freedom. He also stressed that a free, democratic and independent China will benefit not only Chinese people but also Asian and world peace.

EXCELSIOR is one of the largest newspapers in Mexico, with a circulation of more than 350,000. Diaz arrived in Taipei Monday. He is scheduled to leave here Sunday to continue his Asian and European tour.

CHIANG ORDERS 'REASONABLE' NEW OIL PRICES

OW150247 Taipei CNA in English 0235 GMT 15 Feb 86

[Text] Taipei, Feb. 14 (CAN) -- President Chiang Ching-kuo, concerned about the adjustment of the domestic oil prices, has ordered related government agencies to decide reasonable new oil prices as soon as possible so as to enable the public to enjoy cheaper energy. Vice Economics Minister Li Mo said Friday that the preparatory work on the oil price adjustment is under way and if everything goes smoothly, a new price system will be put into force beginning March 1. Li said the Chinese Petroleum Corporation [CPC] has suggested that gasoline price be lowered by NT dollar 2 (US dollar 0.5) per liter. The new prices for diesel, industrial oil and natural gas will be decided in the next few days, Li added.

Meanwhile, Economics Minister Lee Ta-hai said that the government is managing to maintain the stability of domestic oil prices so as to prevent the possible unfavorable influence on the competitiveness of this nation's products in the world market. Lee so indicated he foresees international crude oil prices fluctuating in the second and third quarters of this year, since the prices fell drastically in the first quarter.

Saudi Arabia and Kuwait, the two main crude oil suppliers to the nation, have agreed to cut the prices of their crude oil sold to the ROC by US dollar 3.6 per barrel, enabling CPC to save about NT dollar 17 billion (US dollar 425 million) in its oil purchasing expenditures annually. If the domestic gasoline price is cut by NT dollar 2 per liter, CPC will have a loss of NT dollar 6 billion (US dollar 150 million) in its revenues yearly.

MINISTER SAYS PROSPECTS BRIGHT FOR 1986 ECONOMY

OW171019 Taipei CNA in English 1010 GMT 17 Feb 86

[Text] Taipei, Feb. 17 (CNA) -- Barring unexpected developments, all indicators show the Republic of China's economic growth will exceed the targeted level this year. Economics Minister Lee Ta-hai expressed this optimism when commenting on current economic development. He said January trade performance was exceptional. If that should continue into March or April, the whole picture will be clear whether Taiwan will have a good year for 1986. According to government statistics, Taiwan exported US $3.09 billion worth of goods in January, registering a 13.3 percent growth compared with that of the same period last year. On imports, the January figure was US $1.03 billion, or a hike of 5.5 percent from that of the same month in 1985. Meanwhile, Chen Chao-wei, deputy executive secretary of the Commodity Prices Supervisory Board, said the softening of the American dollar and the decrease in oil prices will help boost the nation's economic recovery.

CHENG MING VIEWS LEADERS' CHILDREN IN BUSINESS

HK130247 Hong Kong CHENG MING in Chinese No 100, 1 Feb 86 pp 6-11

["Notes on a Northern Journey" by Luo Ping: "Children of the Highest Authorities in the Business Fever" -- capatilized passages published in boldface -- first paragraph is CHENG MING introduction]

[Text] Children of influential families do business at four levels: The highest level means Western countries, the second highest means Hong Kong and Macao, the third highest means Shenzhen, and the lowest means Guangzhou. All of them want to do business in Western countries and Hong Kong; many of them are caught up in this business fever. Even the central authorities have failed to prohibit their involvement. The problem is becoming increasingly serious. The higher ranking an authority is, the more disobedient his children are.

"RECENTLY, HONG KONG'S MASS MEDIA HAVE BEEN VERY EXCITED. FOREIGN NEWS AGENCIES AND THE NEWSPAPERS HAVE BEEN STEADILY FILING OR PUBLISHING REPORTS CONCERNING THE ISSUES DISCUSSED IN THE TWO ARTICLES UNDER THE HEADING 'NOTES ON A NORTHERN JOURNEY' IN THE JANUARY ISSUE (NO 99) OF CHENG MING. THE CPC AUTHORITIES CONCERNED HAVE FOR THE FIRST TIME ON THREE OCCASIONS DIRECTLY OR INDIRECTLY CRITICIZED CHENG MING FOR 'SPREADING RUMORS' AND 'VILIFYING THEM.' THIS HAS DRAWN MUCH ATTENTION FROM THE LOCAL PRESS AND THE PUBLIC...."

The above is part of a letter dated January 9 from the editorial board. The letter continues:

"THE JANUARY ISSUE OF CHENG MING WAS PUT ON SALE ON 31 DECEMBER, 1985. THE HONG KONG BRANCH OF THE XINHUA NEWS AGENCY HAS BEEN VERY SENSITIVE TO THE NEWS THAT 'XU JIATUN IS GOING TO BE TRANSFERRED TO BEIJING.' ON THE SAME DAY OUR JANUARY ISSUE WAS PUT ON SALE, IT ISSUED A PRESS RELEASE TO DENY IT, DESCRIBING IT AS 'A RUMOR' AND 'VILIFICATION.' IN FACT, THE 'NOTES ON A NORTHERN JOURNEY' ONLY SAID THAT 'XU JIATUN WOULD NOT BE TRANSFERRED IN THE NEXT 1 OR 2 MONTHS' AND THAT 'HIS TRANSFER COULD TAKE PLACE ABOUT 12 MONTHS LATER.' THE ARTICLE WAS NOT SPECIFIC ABOUT PRECISELY 'HOW MUCH LATER.' IT IS STILL EARLY. HOWEVER, SOME PEOPLE HAVE ALREADY THROWN OFF THEIR RESTRAINT. THIS INDEED PUZZLES PEOPLE. THE PUBLIC RESPONSE IS: CAN XU JIATUN'S ASSIGNMENT ALSO 'REMAIN UNCHANGED FOR 50 YEARS?'"

Will Xu Jiatun's Assignment "Remain Unchanged for 50 Years?"

I have nothing to add concerning this news. In fact, the authorities have long given serious thought to the problem of "replacing" the director of the Hong Kong branch of the XINHUA NEWS AGENCY. Some favored Qiao Zonghuai. Several years ago, he was ordered to "stay" at the Chinese University of Hong Kong for a half year to "study" (quotation marks by the editor) educational administration. After returning to the mainland, he was not appointed a president or vice president of a university but was ordered to return to Hong Kong about 2 years later to lead the Hong Kong branch of the XINHUA NEWS AGENCY. In September of last year, during the CPC National Conference of Party Delegates, he became an alternate member of the CPC Central Committee. However, for various reasons, he still cannot replace Xu for the time being.

Not long ago, word reached me from the foreign service that an important person proposed the replacement of Xu Jiatun by a cadre transferred from Shanghai and that this proposal was shelved. According to Hong Kong visitors in Beijing, although many people in Hong Kong do not like Xu Jiatun very much, they do not want him to leave Hong Kong for home because they are worried that a new director of the Hong Kong branch of the XINHUA NEWS AGENCY may not be as "amiable and easy to approach" as Xu Jiatun is. Xu Jiatun does not have much charm, but party officials generally do not give people a good impression.

By the way, it should be mentioned at this point that the higher authorities have decided among themselves to transfer most of those graduates of the University of Hong Kong and the Chinese University of Hong Kong who returned many years ago to the mainland to work back to Hong Kong. Some of these people were born in Hong Kong. This makes them even more useful.

Why Deny Restricting Japanese Consumer Goods Imports?

THE LETTER FROM THE EDITORIAL BOARD CONTINUES "ON 6 JANUARY, A JAPANESE FINANCIAL GROUP ASKED THE PRC MINISTER OF FOREIGN ECONOMIC RELATIONS AND TRADE TO CONFIRM THE NEWS REPORTED IN 'NOTES ON A NORTHERN JOURNEY' THAT THIS YEAR, CHINA WOULD NOT IMPORT ANY MORE JAPANESE 'CONSUMER GOODS IN GENERAL.' THE MINISTRY OF FOREIGN ECONOMIC RELATIONS AND TRADE REJECTED THE REPORT BY CHENG MING. SOME HONG KONG EXPORTERS AND IMPORTERS HAVE VEHEMENTLY REACTED TO THIS. THEIR OPINION IS THAT BEIJING'S DENIAL IS RIDICULOUS. MANY JAPANESE GOODS TO BE TRANSPORTED TO THE MAINLAND (INCLUDING VIDEO RECORDERS AND PHOTOCOPIER MACHINES) CANNOT ENTER THE COUNTRY AND MUST BE SOLD IN HONG KONG AT REDUCED PRICES. THE TRADE DEPARTMENT OF A CERTAIN BANK IS SELLING VIDEO RECORDERS AT ABOUT $1,000 APIECE."

Regarding the issue of Japanese goods imports, we never reported that Beijing "will ban the import of all Japanese consumer goods." We plainly and clearly reported that "it would not import any more Japanese consumer goods in general." Naturally, a country should adopt protectionist measures to protect its industry and to prevent an outflow of foreign exchange. Does this mean that a country should not practice protectionism by levying customs duties? Can the authorities justify themselves by means of official "denials?" Actually, since China tightened its control of its foreign exchange reserves, tried to balance its trade with Japan, and adopted measures to protect its industry, fewer consumer goods have been imported from Japan. Since the beginning of this year, many expensive Japanese consumer goods have been prevented from being sold to the mainland. This is precisely why many Japanese tape-recorders and photocopiers are being sold at reduced prices in Hong Kong. Is this not a fact?

A Repudiation of the Negative Statement by the Spokesman for the Ministry of Foreign Economic Relations and Trade

Not only the import of Japanese consumer goods is restricted. Restrictions have also been imposed on goods produced by Western countries and on China's own production of certain consumer goods.

A Beijing economic authority recently told me: Restrictions will be imposed on the production of all expensive consumer goods except some televisions and washing machines. No one is allowed to blindly initiate projects. This "some" implies restrictions. It is said that throughout the country, there are 105 color television assembly lines, some of which are under construction. These assembly lines can produce 7 million color televisions a year. Of these 105 assembly lines, 72 were imported from foreign countries and of the latter, 50 were from Japan. The production capacity of these assembly lines renders insignificant China's capacity for the production of television components and parts. They have exhausted the country's foreign exchange reserves and can make the supply of televisions far exceed demand for them on domestic markets. Thus, the departments concerned have decided to "curtail their production." Under such circumstances, China naturally cannot afford to freely import more televisions from Japan.

In conclusion, the news reported in "Notes on a Northern Journey" that starting from 1 January 1986 China will strictly control consumer goods imports from Japan is 100 percent true. Denying it is just self-deception (editor's note: According to a report filed from Beijing by ZHONGGUO XINWEN SHE on 22 January, a spokesman for the Ministry of Foreign Economic Relations and Trade announced that from this year on, "we must not blindly import consumer goods if we have the proper conditions to produce them.

("Restrictions will be imposed on the import of those lines for the production of color television sets, refrigerators, cassette recorders, and cars, and we must protect our national industry.") This shows that the ministry acknowledges the accuracy of the news reported in "Notes on a Northern Journey" by refuting its own negation of the report in "Notes on a Northern Journey" half a month ago. Perhaps, this could be described as "the negation of a negation."

Repeated Injunctions Indicate the Seriousness of the Problem

The letter from the editorial board of CHENG MING lays special emphasis on the involvement of the sons of Hu and Zhao in commercial activities. "ASKED BY AN AP REPORTER TO CONFIRM THE NEWS REPORTED IN 'NOTES ON A NORTHERN JOURNEY' CONCERNING THE INVOLVEMENT OF HU'S SON HU DEPING AND ZHAO'S SON ZHAO DAJUN IN COMMERCIAL ACTIVITIES, A SPOKESMAN FOR THE PRC FOREIGN MINISTRY DESCRIBED THE NEWS AS 'A RUMOR NOT WORTH REFUTING.' WE THINK THAT HE HAS BEEN TOO INDISCREET. MANY HONG KONG BUSINESSMEN KNOW THAT ZHAO'S SON IS DOING BUSINESS. WITHOUT GOOD GROUNDS, CHEN YUN COULD NOT HAVE EXPOSED THIS. CONCERNING HU DEPING'S INVOLVEMENT, IT CAN BE INFERRED FROM THE PASSAGE 'PEOPLE TEND MORE TO BELIEVE THAT HE WANTS TO MAKE HIS STUDY OF THE "DREAM OF THE RED CHAMBER" AND HIS QINGNIAN LUNTAN [YOUTH FORUM] A SUCCESS THAN TO BELIEVE THAT HE WANTS TO SEEK PERSONAL GAIN AS THE MANAGER OF A CERTAIN COMPANY' IN 'NOTES ON A NORTHERN JOURNEY' THAT IT IS NOT EASY TO GATHER FACTUAL EVIDENCE ABOUT HIS INVOLVEMENT. THE INFORMATION REVEALED BY 'NOTES ON A NORTHERN JOURNEY' IS MAINLY BASED ON CHEN YUN'S DISCLOSURE OF THE CASE. HOWEVER, IF YOU HAVE SOMETHING TO ADD, THE READERS WILL BE PLEASED TO KNOW ABOUT IT...."

The problem of the involvement of the children of senior cadres in commercial activities is increasingly serious. The CPC Central Committee has more than once circulated within the party documents prohibiting senior cadres, spouses, and children from doing business. This shows that many senior cadres and their children are now involved in commercial activities. The higher ranking a cadre is, the more disobedient he and his children are. Otherwise, there would be no need for the CPC Central Committee to repeat its injunctions. In fact, a large number of the children of central, provincial, and city leaders are caught up in this business fever. In recent years, the number of trade firms and development corporations has increased. Beijing alone has as many as 3,000 such firms and corporations. Most of these firms and corporations either are directly run by children of influential families or have connections with them. Thus, they are referred to by the community as corporations run by children of influential families. The transportation of cars and other goods by naval vessels and military aircraft from Guangzhou and Hainan to other parts of the country was, not surprisingly, masterminded by these privileged corporations. Of course, there are many other cadres whose children are involved in commercial activities as employees of state-run corporations. It is possible that they do not seek personal gain by taking advantage of their employment with the state-run corporations. However, it can be seen from the cases exposed that a large number of them have used public office for private gain.

Zhao Dajun Is the General Manager of the Shenzhen New Technology Development Corporation

Indeed, it is an open secret that Zhao Dajun, Zhao's eldest son, is doing business in Shenzhen. On several occasions, some of those "cadres heading for the south" told me in Beijing that on the 8th floor of the Xinghua building, Shennanzhong Road, Shenzhen, there is a corporation occupying the whole floor, which has a total area of about 8,000 square feet, and that this corporation is the "Shenzhen New Technology Development Corporation." The general manager of this corporation is Zhao Dajun, Zhao Ziyang's eldest son. One of the corporation's two assistant managers is a person surnamed Li and the other is surnamed Liu. Shortly after the earth-shaking "Tiananmen incident," on 5 April 1976, the gang of four made this Mr Liu famous by trying to track him down and apprehend him.

The Shenzhen New Technology Development Corporation was founded in April, 1985. Its present office was first occupied by a petrochemical supplies corporation, now being investigated by the CPC.

The Shenzhen Petrochemical Industry Corporation was the parent company of this "petrochemical supplies corporation" and other corporations. The responsible person of this petrochemical supplies corporation was Dong Dabao, who was convicted of economic crimes. After Dong's arrest in April, 1985, a certain person in Shenzhen recommended Zhao Dajun as Dong's replacement. However, Zhao Dajun rejected the offer and proposed the establishment of the Shenzhen New Technology Development Corporation under the leadership of the "Shenzhen Petrochemical Industry Corporation." His proposal won the approval of the authorities and the appreciation of the Shenzhen mayor at the time.

Zhao Dajun's Shenzhen New Technology Development Corporation and the "such and the such technology development corporation" run by a swindler named Liu Haoran are totally unrelated. Our previous report on this might easily lead the readers to confuse Liu's corporation with the coporation of which Zhao Dajun is general manager. This problem must be clarified. Zhao Dajun has never been an honorary chairman (not even in name) of the board of directors of Liu's corporation. Zhao Dajun is the general manager of the Shenzhen New Technology Development Corporation. However, I have yet to find out whether or not Liu Haoran used Zhao Dajun's name to do evil things without Zhao Dajun's consent.

I have a friend involved in the work of the Ministry of Foreign Economic Relations and Trade. Not long ago, he made a long-distance call from Beijing to Shenzhen to talk to Zhao Dajun. According to this friend, Zhao Dajun is as tall as his father. However, the former is skinnier and paler than the latter and is more like a scholar than a businessman.

Hu Deping the Scholar and His Magazine

Hu Deping is even more like a scholar. It was reported in "Notes on a Northern Journey" that some people have exposed Hu Deping's involvement in commercial activities. Hu Deping is Hu Yaobang's eldest son. Regarding this person, "Notes on a Northern Journey" has suggested that "people tend more to believe that he wants to make his study of the 'Dream of the Red Chamber' and his QINGNIAN LUNTAN a success than to believe that he wants to seek personal gain as the manager of a certain company." The author of this article is among the "people" mentioned here. Since I received the letter from the editorial board of CHENG MING, I have been indirectly gathering information about Hu Deping and his deeds. Fortunately, I have a few friends who have contacted Hu Deping before.

Hu Deping, 46 or 47, was born during the war. When he was a small child, he lived with the family of a peasant named Liu Qichang and was renamed Liu Hu. Later, he was reunited with this parents and he resumed his surname, that is, Hu. Since his graduation from a university, he has been interested in the study of the "Dream of the Red Chamber" and the history of the Ming and Qing Dynasties. He is taller than his father and looks like a scholar. Unlike his father, who likes to stress his points with exaggerated bodily movements, he is gentle and suave.

In 1980, Hu Deping was elected deputy director of the Beijing Historical Museum. Two years later, he and some young and middle-aged experts and people interested in the study of the "Dream of the Red Chamber" formed a society for the study of the "Dream of the Red Chamber;" he was its first president. Later, they rebuilt "Cao Xueqin's residence" near the Sleeping Buddha Monastery on Beijing's Xi Shan. This organization is supposed to be a civilian academic organization. However, it is said that the Beijing municipal authorities finance it.

Hu Deping is interested in cultural affairs and the study of the "Dream of the Red Chamber," and he has indicated his desire to work with the China Federation of Literary and Art Circles. However, Hu Yaobang advised him not to study the "Dream of the Red Chamber" any more but to enter the Organization Department or work on the Central Party Consolidation Guidance Commission (under the leadership of Bo Yibo). Finally, Hu Deping became a leader of the Hunan-Hubei Liaison Group.

Later, Hu Deping founded his QINGNIAN LUNTAN in Wuhan. The first few issues of QINGNIAN LUNTAN were indicative of the magazine's unique qualities among the country's more than 3,000 journals and periodicals. In the first issue of QINGNIAN LUNTAN, Hu Deping published an article on freedom. His views were quite liberal. The article was reprinted in RENMIN RIBAO, and it attracted the the attention of Beijing's cultural activists. Liu Binyan has also published an article in QINGNIAN LUNTAN to criticize some authorities for their mistake of regarding their "false principles" as "truths." The views expressed in some of the articles published in this magazine are even bolder and more liberal. These articles could be contributed by some "fearless young people." As a "nongovernmental periodical," QINGNIAN LUNTAN has to raise its own funds. However, this could well be hearsay.

Mrs Hu Is in charge of Foreign Trade and Tourism in Xiamen

Hu Deping's wife is An Li, whose father is An Ziwen. Before the "Cultural Revolution," An Ziwen was the head of the Organization Department under the CPC Central Committee. During the "Cultural Revolution," the gang of four accused him of being a "traitor" and "leader" of one of the 61 "traitors cliques," namely the "An Ziwen traitor clique." After the "Cultural Revolution," he was once a member of the CPC Central Committee. An Li is also a university graduate and her field of specialization is in the natural sciences. However, in March 1985 she was transferred to Xiamen City, where she is now in charge of foreign trade, tourism, and Overseas Chinese affairs. Thus, it was once rumored that Hu Deping would go to Fujian to be Xiang Nam's assistant.

In 1985, Hu Deping visited Shenzhen several times. It is said that Hu Yaobang once said to some "cadres heading for the south: "In Shenzhen, you can enjoy a capitalist material civilization on the one hand and have security with your iron rice bowls on the other. It is also said that after being informed of this, Chen Yun criticized Hu Yaobang: At present, it is necessary to smash the iron rice bowls. However, you are advocating this practice. In fact, Hu Yaobang did not say the above things to Hu Deping. Although Hu Deping could "enjoy a capitalist material civilization in Shenzhen," he did not "have a socialist iron rice bowl." Some people suggest that Hu Deping went to Shenzhen to broaden his mind. Others say that he went there "to play the second banana," that is, to be with his wife, who is in charge of foreign trade and tourism and who was visiting Shenzhen. There are still others who have suggested other things. However, I am afraid that there is no need to devote too much effort to judging these conjectures. A Hong Kong businessman told my friend in Beijing that he had done one piece of business through Hu Deping. I think that this "through" does not imply anything. Playing the role of a bridge in the trade between China on the one hand and foreign countries, Hong Kong, and Taiwan on the other is something praiseworthy provided that the law and discipline are not violated.

Despite the Differences Between Hu Yaobang and his Son, Hu Yaobang Praises His Daughter-in-Law

It is difficult to determine the source of the news that some senior CPC members have exposed Hu Deping's involvement in commercial activities. My subjective opinion is that there are three possibilities:

First, the news may have leaked out in the course of QINGNIAN LUNTAN's fund-raising activities; second, the news may have leaked out in the course of Hu Deping's involvement in a piece of business as a go-between; and third, it may have been revealed by a certain minor report. However, since this issue involves many things and since it is difficult to know the whole truth, I will not comment on it here. I hope the readers will understand my difficulties. Indeed, it is difficult to tell which of these three possibilities can best account for the leak.

According to those friends who have met Hu Deping and his wife, the couple looks honest and decent. It can be inferred from the differences between Hu Deping and Hu Yaobang over a number of issues that the former does not want to seek wealth and power as the son of an influential father. One of my friends said: "If it is inevitable that man should be interested in wealth and fame, then, as far as I can observe, Hu Deping is one who is more interested in fame than wealth." My friend is not a physiognomist. However, it is difficult to foretell whether or not he will yield to the pressure his father puts on him and become a member of the second or third echelon."

Another friend who knows Hu Deping told me: "Hu Deping is amiable and easy to approach. He leaves a good impression with those who work with him. There are many people currying favor with him. I am not sure whether or not he is aware of this." He also told me that An Li was an upright person and that it was she who asked Hu Yaobang not to move to Zhongnanhai. Hu Yaobang took her advice and did not move. Of Hu Yaobang's seven children (including daughters-in-law), six are university graduates. Although Hu Yaobang may not be fondest of Hu Deping (maybe the old man treats all his children "equally and without discrimination"), he praises An Li most often.

The Involvement of Another of Hu's Sons in Commercial Activities

According to information gathered, we can definitely say that Zhao Dajun is involved in commercial activities. As to whether or not Hu Deping is also involved, it is hard to tell. I would like to repeat once again that I "tend more to believe that Hu Deping wants to make his study of the 'Dream of the Red Chamber' and his magazine a success than to believe that he wants to seek personal gain as the manager of a company."

Nevertheless, a younger brother of Hu Deping is very much interested in doing business. Although he holds a mid-level post (something like a director) at an energy corporation in southwestern Guizhou, he is highly authoritarian; even the manager has to obey him. It seems that "your son" mentioned in Chen Yun's letter to Hu Yaobang refers to another son of Hu Yaobang, not Hu Deping.

In recent years, there are too many children of the high-level cadres interested in doing business like the second son of Hu. Xi Zhongxun's eldest son, the former magistrate of Zhengding County, Hebei, expressed dissatisfaction with his job and determined to give up his official post and run a business.

Xie Xingming, second son of the late Xie Juezai, former procurator general of the Supreme People's Procuratorate, sold bicycles in Shenzhen last year. He purchased each bicycle at the price of 160 yuan and sold it at above 200 yuan in Shenzhen. Some people said that he was reselling bicycles at a profit. He insisted that he was doing business by appropriate means. Who is willing to do business without making a profit? Those stricken by business fever include children of influential families as well as spouses of high-ranking cadres. Some widows of deceased high-ranking officials also intend to become entrepreneurs. It has been reported that Mrs Xie Juezai has run a company together with Deng Xiaoping's younger brother in Beijing. The "strong women" of another company include He Long's wife Xue Ming and others.

In a report carried in CHENG MING No 99, I intended to convey the following message to our readers: The struggle between the reformers and conservatives is hanging by a thread and tends to intensify by each passing day. If Hu Yaobang and Zhao Ziyang have given the conservatives a weapon, the conservatives have also in turn given the reformers a weapon against themselves.

Chen Yun's Son Also Has a Record of Engaging in Business

Chen Yuan, former Standing Committee member of the Beijing Municipal CPC Committee, is Chen Yun's beloved son. He assumed the post of first secretary of Beijing's Western District CPC Committee. While in office, he did business with a Japanese company with the assistance of a student called he who studied in Japan. It has been reported that he used Western District public funds in doing business. Consequently, he lost money in the business and had to submit himself to investigations by the Discipline Inspection Commissions of the CPC Central Committee and Beijing Municipality, respectively. Regarding the misappropriation of public funds and loss in business, the big problem was turned into a small problem and the small problem into no problem at all. Finally, he was transferred and promoted. Although this report remains to be verified, the information is valid as it has been leaked from the municipal CPC Committee. We do not know whether Chen Yun, who is strict with himself, is aware of the matter or not.

Some people say that if Chen Yuan had not been involved in the above case, he would have joined the secretariat of the Beijing Municipal CPC Committee. Others say that Chen Yuan changed his work style somewhat after being transferred from the municipal CPC Committee. The public expects him to learn from the moral character of Chen Yi's son Chen Haosu.

Chen Haosu, a graduate of Harbin Engineering University, was first secretary of Beijing's Fengtai District CPC Committee 3 years ago and was later promoted to the rank of secretary of the Secretariat of the Beijing Municipal CPC Committee.

Probably influenced by his parents, Chen Haosu is interested in literature, art, and culture rather than business. With the rise of Beijing's "new student movement" last year, Chen Haosu, entrusted by the municipal CPC committee to Beijing University, ate and lived together with the students from "18 September" to "9 December" and played the role of mollifier. The leaders of the student movement in Beijing University questioned him face to face: "You are so young. What political and professional qualifications do you have to hold such a high ranking post? After all, you rely on your father's influence! Anyhow, we still respect our revered Comrade Chen." Chen Haosu was not angry at these remarks. He replied: "I have not relied completely on my father's influence. I firmly believe that my father in the nether regions will not feel ashamed of me as secretary of the municipal CPC Committee."

Although Chen Haosu lacks boldness in work, he is upright and diligent in studying. Like Hu Deping, he prefers fame to gain.

Records of Sons of Bo Yibo and Ye Xuanping Involved in Business

Although Bo Yibo, the leader responsible for party rectification, has repeatedly called for checking "unhealthy tendencies," he has failed to be strict with his own children. A son of Bo Yibo is known in Beijing's commercial circles as "persona non grata."

In the autumn of 1985, Bo Yibo's son ran the "White Peacock Arts and Crafts Center" with some of his close friends. He was prosecuted later for engaging in illegal business. However, he escaped by cunning maneuvers. As he resigned from the arts and crafts center, his close friends had to appear in court.

Under someone's recommendation, Bo Yibo's son was to assume the post of mayor of Nanjing. However, a deputy secretary of the Central Discipline Inspection Commission requested the Organization Department of the CPC Central Committee not to make the appointment because Bo Yibo's son had a bad record.

Another son of Bo Yibo, the former director of an enamel factory, was later promoted to the post of manager of the Beijing Arts and Crafts Company. He led a Chinese arts and crafts delegation to Western Europe. On returning home the delegation was suspected of seeking illicit gains and was put under investigation. Some members were removed from their posts, but Bo Yibo's son remained in office.

It has been reported that Ye Weiping, son of Ye Xuanping and grandson of Marshal Ye, worked in a Shenzhen Special Economic Zone exploitation company. This company is probably the state unit that is in the joint venture of the modern Shenzhen Customs Building with Hong Kong businessman Hu Ying-hsiang.

Wang Zhen's Son Cooperates With Deng Xiaoping's Son-In-Law in Macao

Children of senior cadres do business on four levels: The highest level means Western countries, the second highest means Hong Kong and Macao, the third highest means Shenzhen, and the lowest means Guangzhou. All of them want to do business in Western countries and Hong Kong. Figures in Beijing trade circles are quite aware that Wang Zhen's son Wang Jun and He Biao's son He Ping (his wife XiaoRong is Deng Xiaoping's daughter) went to Macao a few months ago to run a firm under the International Investment Corporation. One was managing director and the other was general manager. It is still questionable whether or not they are working as best partners.

A cadre engaged in foreign trade in Beijing said: "Cadres' children working in state-owned commercial organs are different from the businesses undertaken by the collectives or individuals." What he said is positively correct. However, if party work style is not straightened out, privileges are not eliminated, and the legal system is not maintained, cadres of state organs may also engage in private business, use public office for personal gains, and reap exorbitant profits. A son of a cadre spoke contrary to the cadre engaged in foreign trade. He held that doing individual or cooperative business is beyond reproach, provided the law is not violated. He was against broadening the scope of a specific mistake and maintained that all capable people (including cadres' children) willing to engage in business may do so under the circumstances of the establishment and perfection of the legal system.

I think this idea is acceptable. Although the "senior cadres" of a number of Western countries are not allowed to engage in commercial activities, their children have the right to do business. As a matter of fact, British Prime Minister Thatcher's son is a businessman. What harm can he do to Britain by being a decent businessman? Why are the conditions in China special? The main reason is the decadent party style and rule by man under one party leadership in China. In addition, the privileges of cadres can be abused by their children to reap exorbitant profits in business. If party style is corrupted and the legal system is not maintained, the cadres' children, though not apparently meddling in business, can carry out " underground activities." Even if they are completely cut off from the commercial field, they can also make money by other illegal means. Therefore, it is tantamount to turning logic upside down to say that forbidding cadres' children to do business will be conducive to improving party work style.

Deng Pufang Stays in Guangzhou for a Long Time and Plans To Engage in Shipping

In a word, the key to the problem is not doing business in a state-run shop or a shop run by individuals, but whether or not it is appropriate and legal. The son of a cadre continued: "It would be a good thing to do business for the public interest and earn money to support public undertakings." He gave an example of Deng Pufang to explain his viewpoint.

Deng Xiaoping's son Deng Pufang has racked his brains to raise funds for the foundation for the disabled. Now he is living in the Guangzhou Garden Hotel (it is possible that the hotel is entertaining him free of charge), trying daily to collect money for the foundation. Some people say that Deng Pufang is interested in doing ship business. He provided for the disabled by purchasing old ships from some north European countries and dismantling them (some people say that Deng Pufang is taking the opportunity to make a profit) . The magazine SANYUE FENG [MARCH BREEZE], under his direction, carried some outstanding works, including half of Liu Binyan's literary works. Why "half?" Actually, Liu Binyang wrote something for Beijing's BAOGAO WENXUE. When the newspapers carried this reportage, the Propaganda Department of the CPC Central Committee ordered the magazine not to publish it, because Shaanxi had lodged a complaint against Liu Binyan saying that his reportage "undermined" Shaanxi's party rectification work. As a result, the reportage was divided into "The Story of Tang Anhua" and "The Ancient Castle, Past and Present." The two parts were sent to the magazine SANYUE FENG and ZHONGSHAN respectively.

A friend who had some contacts with Chen Yun's sister-in-law (Yu Ruomu's younger sister) Yu Lulin also intended to set up a "Sayuan Exploitation Company" to provide for the Zhonghua Social University run by herself. But the company's application for a business license was withheld for a long time by a vice minister of economy and trade. The people who knew the case showed sympathy for Yu Lulin. Some of them said: "When the party ran the Life Bookstore in Shanghai during the 1930s, did Xu Boxin not do business to support the bookstore?"

False Reports in Party Newspapers and Perodicals

Some overlords of the CPC have arbitrarily regarded news exposing their "domestic scandals" as "rumors" and the facts reported by foreign news agencies as "fabrications." In fact, such a course of action is out-and-out deception. This reminds us of the "Cultural Revolution." When the gang of four discovered news exposing their crimes, they abused them as "rumors" and threatened to "trace the rumors to their sources. " Glossing over faults is not the creation of the gang of four but the common failing of the CPC over decades. Recently, the CPC has called for strengthening party rectification. We hold that vigorous measures should be adopted to check unhealthy tendencies.

Naturally, the news carried in CHENG MING and other overseas periodicals cannot all be accurate. Hong Kong newspapers usually make minor mistakes while reporting Hong Kong news, to say nothing of restricted news. Do the newspapers and periodicals of the CPC never make mistakes? They do and occasionally make many mistakes. Apart from inaccurate reports, they have also been deliberately fraudulent.

Leaving aside past problems, mainland newspapers published a series reports recently. The so-called "Space Visitor," "DDT Mixed With Maotai," "Mathematician Chen Jingrun Giving Guidance to Cui Huaijun in Studying," and 5-year-old Liu Xiaobin who had super-intelligent powers, "used 6 nights to finish his first primary school textbook and the same speed to finish his secondary school mathematics; physics, and chemistry courses" and was "enrolled by the Chinese Academy of Sciences as a student in the preparatory class for youngsters" (dispatched by the XINHUA NEWS AGENCY) were all false reports and sheer fabrications.

The Fake Photograph in JIEFANGJUN BAO and Falsehood to the Utmost Degree

In addition to the false reports, there are also fake photographs. These fake things are nothing new. On 29 May 1985, ZHONGGUO FAZHI BAO carried a picture of a policewoman asking the masses of the Lisu nationality about household registration. A month later the picture appeared in ZHONGGUO FUNU BAO saying that the policewoman was asking about "the progress of family planning. "Later MINZU GONGZUO No 8 also reprinted the picture. This time the policewoman was asking about "the experience of taking the road to prosperity." This is not unique, but has its counterpart. On 28 October the same year, ZHONGGUO FAZHI BAO carried a picture of "a group of young people discussing the question: When soldiers are shedding blood at the front, what should we do in the rear?" When the picture was reprinted in ANHUI FAZHI BAO, it became "a group of young people having a get-together." The most typical case of a "fake picture" was the picture carried in JINGJI RIBAO depicting "Army and people united as one to combat flooding" in Panjing City in the summer of 1985. Actually the picture was reprinted from JIEFANGJUN HUABAO No 10 of 1981. Furthermore, the picture in JIEFANGJUN HUABAO showing a PLA soldier courageously saving an old woman from the flood in Rongchang County, Sichuan, was not genuine. The photographer invited an old woman from the house for the aged. He took the photograph of a soldier carrying an old woman on his back with the collapsed houses as the background. This is the way they implement dual falsehood.

The Party Organ Says There Are Three Kinds of False Reports

The problem of resorting to deception in press reports is so serious that the CPC itself feels ashamed. On 3 January this year, RENMIN RIBAO published an article, saying: "Truthfulness is the life of press reports. This is an old saying repeated over the years. However, some untrue reports are still published from time to time. The first kind of these reports is based on hearsay evidence. The source of the report 'DDT Mixed With Maotai' was from the grapevine 'revealed by local masses.' It passed from place to place, and eventually became 'evidence' on which the reporter based his report. The second kind of false reports are reports based on specious arguments. The peasants of Pingli Village, Shuitou Township, Xinning County, Hunan, caught a stump-tailed monkey. An examination was made by county biology teachers, prefectural and provincial experts, and China's 'Savage' Reserarch Society. They unanimously determined that it was not a 'savage.' However, some newspapers, magazines and broadcasting stations at home gave enormous publicity to the 'living savage.' Some newspapers and magazines abroad run by Chinese also published these reports one after another. The third kind of false reports are reports which are recklessly concocted. The article 'Facing a Fanciful Desire of a Guest From Hong Kong' published by a certain magazine was a inferior product of this kind."

A Funny Mistake of "Putting Lin's Hat on Li's Head" made by XINHUA NEWS AGENCY

"Inaccurate" reports which mislead the readers are published often. Let us take a recent example which is connected with Hong Kong. This was a report by XINHUA NEWS AGENCY putting Lin's hat on Li's head.

The report was carried in CANKAO XIAOXI on 12 December 1985, which is published by XINHUA NEWS AGENCY (General Office in Beijing). This was a report mainly describing how Ji Pengfei was welcomed by Hong Kong press circles. It also said that some newspapers" made use of Ji's visit to attack China." Who used it to attack China?" It only mentioned two newspapers HSIN PAO (HONG KONG ECONOMIC JOURNAL) and TSAICHING HSINWEN (FINANCIAL DAILY). This XINHUA report said: "One day before the arrival of Ji Pengfei, Li I, editor-in-chief of HSIN PAO, used the pen name Chi Hsin to publish an article 'Notes on Director Ji Pengfei's Visit to Hong Kong.' This article...."

Li I is the editor-in-chief of CHIUSHIH NIENTAI. The magazine once revealed that Chi Hsin was Li I's pen name. The editor-in-chief of HSIN PAO writes a commentary almost daily, published in the upper left-hand corner of the front page.

His name, Lin Hsin-Chih, in large characters, is printed in written form. This is known to all people in the press circles. Why did the XINHUA report from Beijing issued on 10 December put "Lin's hat on Li's head?" (Editor's note: We believe that Director Xu Jiatun was not responsible for going over the manuscript. Otherwise, he would have found the mistake, because both Mr Lin and Mr Li were reportedly invited by Director Xu to a simple dinner. He would have known them.)

In recent years, false reports published by newspapers and periodicals on the mainland and by XINHUA NEWS AGENCY have not been regarded as rumors. The malpractice of deliberately publishing misleading reports is not regarded as spreading rumors either. So, why do the CPC departments concerned always regard as rumors those reports on the mainland published overseas which they think are not beneficial to the CPC, whether they are true and accurate, or are sheer fabrications and inconsistent with the facts because of careless mistakes? If these reports are basically consistent with the facts, or are based on certain facts, why do they flatly deny them? Why do they regard them as "fabrications" and "rumors" which are "not worth refuting?" Can they convince people by doing so? This can only aggravate their credibility crisis at home and abroad.

We think that the above-mentioned XINHUA report, which "puts Lin's hat on Li's head" and "misleads people" is a careless mistake rather than a deliberate rumor, although such a report should not have been published. We hope that those party overlords in Beijing and Hong Kong will draw a lesson from this incident. They should overcome their bad habit of randomly putting labels on others. Can they do so?

ARMED FORCES STRAGEGY SHIFT SEEN 'REVOLUTIONARY'

HK160408 Hong Kong TA KUNG PAO in Chinese 16 Feb 86 p 1

["Special Dispatch": "Shift in China's Strategy for Building Armed Forces Shows New Evaluation of World Situation"]

[Text] Beijing, 15 Feb -- Li Desheng, political commissar of the National Defense University, says that the shift in building China's armed forces foreshadows the arrival of a golden age for armed forces. The present 1 million reduction in armed forces personnel helps to speed the modernization of the armed forces.

Li Desheng made these comments at a forum convened at the National Defense University by the editorial board of JIEFANGJUN BAO. He was speaking on the question of how to adapt the strategic shift in the guiding idea on building the armed forces. Today's JIEFANGJUN BAO prints the speeches at this forum on the top half of the front page.

Speaking on the objective basis for a strategic shift, Zhang Zhen, commandant of the National Defense University, said that in accordance with its scientific analysis of the international situation, the Central Military Commission has made a policy decision designed to create a strategic shift in the guiding idea for building the armed forces, based on the needs of developing the national economy and strengthening national defense. Zhang Zhen said that, taking an overall view of the world situation, although the danger of war still exists, and small-scale wars are continually breaking out, a world war is by no means imminent, and there may be no major war within this century or for even longer than that. There are hopes that world peace can be preserved. He said: It can be said that the Soviet Union and the United States, which are capable of fighting a major war, have achieved parity of strength, with neither enjoying superiority over the other. Neither of them would dare take reckless action. At the same time, the development of nuclear weapons is changing many traditional concepts of war.

The increase in the number of nuclear bombs has correspondingly made the launching of a war a more complex and serious matter, and the superpowers have no choice but to weigh the pros and cons of launching war. Even more notable is the fact that the growth of the forces for peace throughout the world exceeds that of the forces for war. People throughout the world are demanding peace and opposing war.

He stressed that, judging by the present situation, it is not objective to talk of "the wind rushing through a tower heralding a rising storm in the mountains" and to say that war is imminent. We are in fact faced with a relatively stable period of peace.

Political Commissar Li Desheng said that in making a strategic shift in the guiding idea on building the armed forces, we should switch from basing our work on the war readiness posture of "fighting an early, major, and nuclear war" onto the normal track of building a regularized and modernized revolutionary army during a period of peace. This shift can be described as another fundamental and revolutionary change in the history of our Army, and this policy decision is another epoch-making decision in the building of China's armed forces.

The participants in the forum also reviewed the lessons of history. They proposed that the present good opportunity should not be missed. It is necessary to set our sights on the advanced, redouble efforts, and rouse ourselves in order to catch up. They said it is necessary to focus on the macro, start with the micro, and stimulate all-round implementation of a major shift by creating specific shifts.

NAVY INVESTIGATION TO REVIEW 1985 ACCIDENTS

HK140839 Hong Kong MING PAO in Chinese 14 Feb 86 p 5

[Special dispatch from Beijing: "Authorities Demand a General Inspection of the Chinese Navy Because of Numerous Accidents"]

[Test] A noticeable problem faced by the Chinese Navy last year was numerous accidents, some of which were rather serious. The authorities demand a group-by-group general inspection of the vessels and the ranks of the Navy, as revealed by an enlarged meeting of the Standing Committee of the Navy's CPC Committee.

Held in Beijing from 18 to 26 January, this meeting dealt mainly with two things, namely, reviewing work in 1985 and assigning tasks for 1986. During the meeting, Li Yaowen, Liu Huaqing, and Wei Jinshan gave separate reports on the work in 1985 and the tasks, the building of the Navy, and party rectification in units at and below regimental level for 1986.

The meeting pointed out that in the past year, the Navy was successful in various work, with structural reform, streamlining, and reorganization of the Navy as the kernel of that success. However, the Navy still faced with many problems, the most noticeable being numerous accidents, some of which were rather serious.

As for this year's tasks, the meeting pointed out: The general tasks and requirements are to carry on the reform; continue to implement the "plan for implementation of the structural reforms, streamlining, and reorganization of the Navy;" strengthen the building of spiritual civilization; step up the process of revolutionization, modernization, and regularization of the Navy; and fulfill all assigned tasks.

The meeting emphasized: This year, it is necessary to concentrate our attention on the reform, the party, and work relating to the grass-roots level. In other words, the Navy is to conduct various reforms centering around the structural reform, streamlining, and reorganization of the Navy; to achieve a fundamental turn for the better in party style within the Navy during this year, with the Navy's leading organs and leading cadres taking the initiative, and to effect radical change in poor conditions of the Navy's grass-roots units within 3 years. To make progress in the building of grass-roots units, the Navy is to concentrate efforts on three aspects this year: First, an extensive group-by-group inspection of the vessels and the ranks of the Navy is to be carried out, with the aim of solving a number of problems, second, efforts will be made to improve the quality of cadres, expecially grass-roots cadres; and third, efforts will be made to improve leadership style and emphasis will be on real actions.

In accordance with the guidelines laid down by the party rectification forum in the PLA, the meeting has mapped out the procedure for party recification in Navy units at and below the regimental level and for review of the condition of those organs at and above the division level which have undergone party recification once. The meeting emphasized that party committees at all levels must earnestly take charge of leadership over party rectification in units at and below the regimental level, and that straightening out party style must be stressed in reviewing the condition of those organs at and above the division level which have undergone party rectification once.

The meeting also discussed the short and long-term goals of coastal defense, the Navy's structure and establishment, development of arms, training of personnel, battlefield works, logistics technical protection, equipment repair, research of naval military technique, and other important questions.

Present at the meeting were members of the Standing Committee of the Navy CPC Committee, the principal leaders of units at and above the Army level and military institutes directly under the Navy, and some leaders of the Navy Discipline Inspection Committee and Navy headquarters.

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SRV Cease-fire Proposal

OW190935 Beijing XINHUA in English 0929 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- A Foreign Ministry spokesman today exposed the hypocricy of the Vietnamese so-called proposal for a cease-fire during the Spring Festival. "The Vietnamese troops have made uninterrupted armed provocations against China's border areas by opening gun and artillery fires across the border almost every day and sending armed forces to make harassing attacks on the Chinese territory, which did not stop even during the Spring Festival," the spokesman commented at the weekly news briefing at the request of foreign correspondents.

"All this has laid bare the hypocritical nature of the Vietnamese so-called proposal for a cease-fire during the Spring Festival," he stressed. Confronted with the provocations and incursions of the Vietnamese Armed Forces, he said, "the Chinese frontier guards are justified to make proper counterattacks."

Sierra Leone President to Visit

OW190922 Beijing XINHUA in English 0914 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- A Foreign Ministry spokesman announced here today that at the invitation of President Li Xiannian, president Joseph Saidu Momoh of the Republic of Sierra Leone will pay a state visit to China from February 24, 1986.

Mauritanian Visit Announced

OW150142 Beijing XINHUA in English 0136 GMT 15 Feb 86

[Text] Beijing, February 15 (XINHUA) -- Colonel Maayouia Ould Sid Ahmed Taya, chairman of the Military Committee of National Salvation of the Islamic Republic of Mauritania and head of state, will pay a state visit to China during the second half of February. Taya and his delegation will visit China at the invitation of Chinese President Li Xiannian, a Foreign Ministry spokesman announced here today.

OLYMPIC COMMITTEE THANKS IOC FOR WAN LI AWARD

OW170310 Beijing XINHUA in English 0255 GMT 17 Feb 86

[Text] Beijing, February 17 (XINHUA) -- The Chinese Olympic Committee (C.O.C.) sent a telex Sunday to Juan Antonio Samaranch, president of the International Olympic Committee (I.O.C.), thanking him for the awarding of a gold Olympic order to Chinese Vice Premier Wan Li, an Olympic order to Huang Zhong, vice-president of the C.O.C., and an Olympic cup to the committee.

The IOC's decision on the awarding was made at a three-day I.O.C. executive board meeting in Lausanne last week. Samaranch informed the Chinese side in telexes on February 12 and 13. The C.O.C. said in the Sunday telex, "This is an honour not only for our Olympic Committee, but also for the Chinese sports circles, all trainers, coaches and athletes." It said "The C.O.C. will cooperate closely with I.O.C. to make greater contributions to publicizing the Olympic ideal and promoting the development of the Olympic movement."

PRC EMBASSY HOSTS SPRING FESTIVAL PARTY

OW180011 Beijing in Mandarin to Taiwan 1500 GMT 16 Feb 86

[Text] The Chinese Embassy in the United States held a get-together on 15 February to celebrate the Spring Festival together with some 400 Overseas Chinese, Americans of Chinese descent, and their dependents, from either the Chinese mainland or Taiwan. During the get-together, a Chinese youth dance school, the American Martial Arts Academy, the (Hongweige) Martial Arts School, the embassy staff, and some American friends performed recreational programs, such as singing, dancing, martial arts, and magic. Their performances were warmly welcomed by the audience.

Before the get-together, Han Xu, Chinese ambassador to the United States, invited some 30 well-known Overseas Chinese and Chinese-Americans to a discussion meeting. He first briefed them on China's achievements and inadequacy in construction last year, and its Seventh 5-Year Plan. He hoped that Chinese in all circles in the United States would show concern for China's construction. During the discussion, more than a dozen well-known scholars and experts expressed their views in connection with China's economic construction, legal system, culture, science and technology, and education.

WEINBERGER INTERVIEWED ON CONTINUING SDI PROGRAM

OW140214 Beijing XINHUA in English 0205 GMT 14 Feb 86

[Text] Washington, February 13 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger said here today the explosion of the space shuttle Challenger should not block the United States in pursuing the "star wars" program.

In an interview with the ASSOCIATED PRESS, Weinberger said the defense programs could withstand a six-month delay in shuttle operations caused by the explosion of Challenger which killed seven people on board on January 28. If the delays stretch to a year or more, he added, the Pentagon might have to turn to alternatives for launching needed weather, communications and spy satellites for military purposes. However, he did not specify what alternatives might be. It is an open secret that the U.S. space shuttle flights have carried military missions, and some flights were even carried out secretly for mere military purposes.

Weinberger admitted that some "star wars" experiments would undoubtedly be delayed by the loss of Challenger. Asked whether the U.S. will accept an intricate space defense system like "star wars" in view of the accident of Challenger, Weinberger said: "I certainly don't think we should stop working on it because we had a terrible tragedy on the shuttle...There is no way you can have a risk-free environment." He said research is proceeding with the idea of building a "many-layered system" that can catch incoming nuclear missiles at different stages of their flight.

The U.S. Congress has authorized the Pentagon to develop larger unmanned rockets that can boost the same size payload into orbit as the space shuttle, but those rockets cannot be used before 1988. Weinberger also defended in the interview the administration's decision to seek an 11.9 percent increase for the military budget in fiscal 1987.

NO HEALTH HAZARD FOUND IN SOVIET 'SPY DUST'

OW150742 Beijing XINHUA in English 0700 GMT 15 Feb 86

[Text] Washington, February 14 (XINHUA) -- United States today confirmed that the "spy dust" used by the Soviets to track U.S. personnel in Moscow poses no health hazard, but added that it would continue to object to the use of chemicals against U.S. personnel.

A report released today by the State Department said that the dust is a chemical -- nitro phenyl pentadiene aldehyde, or NPPD. The Soviets had been reportedly using it for several years to help monitor the activities of Americans in Moscow and Leningrad. The State Department said last year that the Soviets had been "dusting" NPPD on Embassy doorknobs, steering wheels of U.S. diplomats' cars and other items commonly touched by Americans. The U.S. Administration protested the action to the Soviet Government. After having conducted extensive tests on this tracking agent, the report said, "The results indicate that it has not been used indiscriminately against American personnel but has been employed by Soviet authorities against a specifically-targeted, relatively small percentage of official American employees." "Although it appears that the use of NPPD and other tracking agents was confined to a small percentage of American personnel specifically targeted by Soviet authorities, we are strongly concerned that any chemical tracking agents have been used against our employees. We will continue to monitor for such chemicals," said the report.

FALLING DOLLAR IMPERILS U.S.-JAPAN RELATIONS

OW170740 Beijing XINHUA in English 0658 GMT 17 Feb 86

[Text] Washington, February 16 (XINHUA) -- The current trend of dollar falling against Japanese yen, if not handled well, could worsen the economic and financial relations between Tokyo and Washington, a U.S. economist wrote in today's NEW YORK TIMES. Sam Nakagama, chief economist of Nakagama and Wallace Inc., an economic advisory firm, based his warning on the fact that the plunge of oil prices on world markets would be a boon to Japan which depends on imports for all of its oil needs, and an attack on the United States which produces twice as much oil as Saudi Arabia, but at a much higher production cost.

Nakagama said this was the reason behind the current surge of the Japanese yen, and added that if Japan's exports and non-energy imports remain unchanged, its trade surplus will rise from 56 billion dollars last year to about 75 billion dollars in 1986. He thus compared Japan to "the new OPEC of the world financial system," in the sense that it sucks in money from abroad through its powerful export industries and spends even less abroad because of falling oil prices. On the other hand, the economist warned, the dollar will possibly fall to 150 yen, which he described as a dangerous development that would cause "a rebound in inflation.... a flight of foreign capital which would lead to a surge of interest rates and renewed strains on the international financial system." Also, U.S. banks, the largest oil industry lenders, would thus face serious threats, Nakagama said. He suggested that the U.S. Government impose an oil import fee, using the receipts to cover the cuts as requested by the Gramm-Rudman-Hollings balanced budget law passed last year.

To the Japanese Government, he suggested that discount rate should be cut further so as to boost domestic investment. Mr. Nakagama's view reflected the worries here in the U.S. that the dollar may be falling too fast, first due to coordinations between the U.S. and the Japanese Governments, and then because of the precipitous plunge of the world oil prices. As the Tokyo summit of seven industrial nations are months aheads, calls for a reform in world monetary system may become louder.

WORLDWATCH NOTES BURDEN OF MILITARY COSTS

OW160916 Beijing XINHUA in English 0853 GMT 16 Feb 86

[Text] Washington, February 15 (XINHUA) -- The global military expenditures grew steadily over the last quarter of a century, outpacing the growth of the world economy, according to a new study released today by the U.S. Worldwatch Institute, a Washinton-based research group.

The study, entitled "State of the World 1986," said that between 1960 and 1985, military spending climbed from 400 billion to 940 billion U.S. dollars, increasing every year regardless of economic downturns or of the signing of arms control treaties between the United States and the Soviet Union, the world's two largest arsenals. Global military outlays in 1985 exceeded the income of the poorest half of humanity. It said that the steady expansion of the world economy for most of a generation has permitted both more guns and more butter, but for many countries, this age has come to an end. Environmental decline and economic deficits may now be a greater threat to national security than armed aggression. It went on to say that the principal force driving the militarization of the world economy is the conflict between the two superpowers. The U.S.-Soviet arms race has sapped the energies and resources of both countries, and the entire world is paying the price. Besides the squandering of resources, global militarization has contributed to the neglect of other pressing issues, such as environmental deterioration and growing Third World debt.

For the United States, it said, accelerating the arms race in the early eighties has pushed military spending to a new height, and contributed heavily to the largest fiscal deficits ever recorded. In the Soviet Union, "the arms race is diverting political attention from the economic reforms needed to achieve the modernization that Soviet leader Mikhail Gorbachev has endorsed," it added. It said that while the two military superpowers are preoccupied with each other, Japan is moving toward a position of global economic dominance, surpassing both the Soviet Union and the United States. "If recent trends continue, Japan will supplant the United States by 1990 as the world's leading trading power," it asserted. The Worldwatch Institute's scudy said that partly as a consequence of the arms race, the United States has accumulated almost as much debt over the past six years as during the preceding two centuries. The combination of the growing U.S. federal debt, now in excess of two trillion dollars, and the Third World's external debt, now over 800 billion dollars, is putting severe stresses on the international economy, it added.

AUTHORITIES CALL DUVALIER 'UNDESIRABLE' ALIEN

OW170648 Beijing XINHUA in English 0631 GMT 17 Feb 86

[Text] Washington, February 16 (XINHUA) -- The U.S. Government refuses to allow former Haitian president-for-life Jean-Claude Duvalier into the United States from France State Department spokeswoman Anita Stockman announced today. The statement came after talks between U.S. and French officials over Duvalier failed. French authorities have been seeking to ship the Haitian president to the United States since Duvalier fled Haiti on February 8 aboard a U.S. Air Force jet to the French town of Talloires.

"Duvalier does not have a visa and would not be allowed in. Our laws and regulations would make him unable to come to the United States. He would be an undesirable and undocumented alien," Stockman said. "There are a large number of exiled Haitians in this country and security would be a major problem for Duvalier here," she added. "In addition, an extradition treaty is in effect between the United States and Haiti. Were Duvalier to come here, he would expect to be returned to Haiti at some future date."

The spokeswoman told reporters that U.S. officials have been working with their French colleagues to find a home for Duvalier. Duvalier has reportedly asked for asylum in a French-speaking country. According to reports from France, Premier Laurent Fabius said yesterday that France had stressed to the United States that Duvalier was accepted only temporarily and that "if no solution was found, it would be normal that he leaves for the United States."

IRAQI DEPUTY PRIME MINISTER ENDS VISIT

OW180256 Beijing XINHUA in English 0234 GMT 18 Feb 86

[Text] Moscow, February 17 (XINHUA) -- Iraqi Deputy Prime Minister Tariq 'Aziz left Moscow today bound for a United Nations Security Council meeting in New York on the Iran-Iraq conflict, the official news agency TASS reported. In a meeting with Soviet Foreign Minister Eduard Shevardnadze during a one-day working visit, 'Aziz, who is also Iraq's foreign minister, said that last week's renewed offensive by Iran had created a "dangerous situation."

'Aziz arrived in Moscow Sunday under an entrustment of the Arab League's 7-nation follow-up committee on the Iran-Iraq war. During the meeting, Shevardnadze reiterated the Soviet view that fighting should cease and the conflicts be resolved through negotiation. Shevardnadze expressed concern over the growing scope of military operations, which threatens the cause of peace and stability in the entire region TASS said. "The imperialist forces, which are interested in further heightening tension in the region, should not be allowed to profit from this conflict being dragged out" the Soviet minister added.

XINHUA PREVIEWS UPCOMING CPSU CONGRESS

OW190926 Beijing XINHUA in English 0859 GMT 19 Feb 86

["Soviet Party Congress To Define New Strategy (by Shen Yiming)" -- XINHUA headline]

[Text] Moscow, February 19 (XINHUA) -- The upcoming congress of the Soviet Communist Party, the first since Mikhail Gorbachev became general secretary of the party last March, is expected to review the party's activities in the recent years and formulate a new economic and social strategy.

According to the agenda, the 27th congress, due to open February 25, will focus on amendments to the party program and the country's economic plan for the next 15 years. Gorbachev said at a party Central Committee meeting last October that the revised party program will be "a program for planned and all-round upgrading of socialism, for Soviet society's advance on to communism through accelerated national socio-economic development." This contrasts with the previous edition of the program, worked out under the late party leader Nikita Khrushchev in 1961, which predicted that "a communist society will have been basically established in the Soviet Union by 1980, and completely established thereafter." Gorbachev dismissed Khrushchev's ambitious predictions as "groundless fantasies" and said that they had been "doomed to failure."

The new draft edition of the program, published after the October meeting and to be adopted at the coming congress, defines the party's main task through the year 2000 as a struggle for "planned and comprehensive perfection of socialism." It appears that after more than two decades of experimentation the Soviet leadership has returned to a sober estimate of the Soviet reality.

Another major subject to be discussed at the congress will be the country's economic blueprint. Draft guidelines for the economic and social development of the USSR for 1986-1990 and through the year 2000 published last November say the country's national income and industrial output will double by the end of the century through implementing economic system restructure and scientific and technological progress. It is almost certain that delegates to the congress will make a terrific din about the need for the economic system restructure.

S. KOREA'S CAMPAIGN FOR CONSTITUTIONAL REVISION

SK190214 Beijing International Service in Korean 1100 GMT 17 Feb 86

[Summary from poor reception] The New Korea Democratic Party [NKDP], the largest opposition party in South Korea, and the Committee for Promotion of Democracy [CPD], an opposition organization, began the campaign to collect signatures for the revision of the Constitution. "The opposition forces, democratic figures, youths, and students in South Korea have recognized that the current Constitution was (?fabricated) through undemocratic means." Moreover, they have pointed out that this Constitution, which lacks legitimacy, disregards basic democratic principles. "Therefore, rejecting the current Constitution and demanding direct presidential elections are the objective of the opposition forces' continuous struggle and a slogan in their struggle. The campaign to collect 10 million signatures for the revision of the Constitution can be regarded as an important action taken by the opposition forces to realize this objective."

On 12 February, 122 NKDP members, including 42 national assemblymen and 97 members of the CPD, signed the petition demanding revision of the Constitution. "Yi Min-u, president of the NKDP, who enjoys a great influence on South Korean opposition forces, and Kim Tae-chung and Kim Yong-sam, co-chairman of the CPD, were among them. Other opposition organizations, youths, and students in South Korea also support this campaign to collect signatures. Rev. Mun Il-hwan, chairman of the Federation of Democratic Reunification and Mass Movement, an opposition organization, also positively demands the revision of the current Constitution into a democratic constitution. In October of last year, students of some South Korean universities adopted resolutions to organize headquarters for the movement to revise the Constitution for the masses, democracy, and national reunification. As a result, headquarters for the movement to revise the Constitution were successively organized this year at Seoul National, Yonsei, Ewha Women's, and Hongik Universities. On 4 February, in particular, some 1,000 students from 14 universities in Seoul established a joint organization to support the campaign to collect 10 million signatures and decided to conduct the campaign to collect signatures."

"When the campaign to collect 10 million signatures, which began in Seoul on 12 February, began to spread to many local areas, the South Korean authorities hastily took the measure of suppression. That is, on that day, the authorities not only put Kim Tae-chung under house arrest, first, and forcibly took Kim Yong-sam to his home and detained him there, but also subsequently searched the NKDP central headquarters office and the CPD office. At the same time, the South Korean authorities are strengthening control at entrances to universities, banning the entry of outsiders and vehicles, and are checking the identity of the students, blocking the students' participation in the movement to collect signatures. However, such measures of suppression by the South Korean authorities cannot make the opposition forces give in. The large-scale campaign by the South Korean opposition forces to collect signatures for demanding the revision of the current Constitution and direct presidential elections is being continuously and persistently conducted."

AGREEMENT SIGNED FOR CITIC TO ISSUE YEN BONDS

OW181649 Beijing XINHUA in English 1615 GMT 18 Feb 86

[Text] Tokyo, February 18 (XINHUA) -- The China International Trust and Investment Corporation (CITIC) will issue bonds totalling 40 billion Japanese yen (about 219.8 million U.S. dollars) in Japan under an agreement signed today between the CITIC, the Daiwa Securities Co. and the Bank of Tokyo. According to the agreement, the bonds will be sold at 99.7 percent of par value with a yearly interest rate of 6.3 percent. The bonds will mature in 1997. This is the fourth time that the CITIC has issued bonds in Japan and financial sources here regard the new issue as a sign that the CITIC is making greater efforts to enter the international capital market.

Recent speeches by Soviet leaders indicate the restructure is aimed at increasing the decision-making powers of enterprises while strengthening the role of the state plan in the economy. But so far, few concrete and efficient measures have been found to promote the restructure and there are also differing views how much autonomy industrial enterprises should have. This congress is not expected to announce new specific policies or measures on economic system restructure.

There are other indications that the congress, reviewing the party's work in the past, will not only sum up achievements, but will also face up to the mistakes made by former party leaders in the sixties and seventies. The Soviet press has said those mistakes include reliance on "voluntarism," a theory that overemphasizes the role of man's will. Meanwhile "bureaucracy," "sticking to old ways," "indiscipline" and "corruption," which plague party and government departments will also be lashed.

The last major item on the agenda will be election of the new party leadership. A big change is expected to take place in the Central Committee as more than one-third of its 319 full members chosen by the last congress have died or retired in the past five years. Many young, pro-reform, competent people will enter the new Central Committee. Since Gorbachev became top party leader in March, 1985, a third of the 12-member Politburo have been newly elected. The average age of the Politburo members dropped to 63 from 69 in 1984. It is believed that most of the current members will remain in the Politburo, the place where the greatest amount of power lies, and the present leadership headed by Gorbachev will remain unchanged.

GRISHIN 'RELIEVED' OF CPSU POLITBURO POST

OW181721 Beijing XINHUA in English 1650 GMT 18 Feb 86

[Text] Moscow, February 18 (XINHUA) -- Victor Grishin, who was removed as first secretary of Moscow's party committee last December, today was "relieved" of his post as Politburo member of the Central Committee of the Soviet Communist Party (CPSU). The decision was taken at a plenary session of the party's Central Committee today. The Soviet news agency TASS said that Grishin's relief was related to his "retirement."

The plenum also dropped Konstantin Rusakov as member of the Secretariat of the Party's Central Committee and selected Boris Yeltsin as an alternate Politburo member.

Grishin, 72, became an alternate member of the Politburo in 1966 and has been a full Politburo member since 1971. Grishin is the third member dismissed from the party's highest leading body since Mikhail Gorbachev took power last March. The first and second were Grigoriy Romanov and Nikolay Tikhonov. Yeltsin, 55, was appointed first secretary of the Sverdlovsk regional party committee in 1976 and transferred to the post of the head of the construction department of the CPSU Central Committee in 1985. While holding this post he was elected a secretary of the CPSU Central Committee. Last December he replaced Grishin as first secretary of Moscow's party committee and severely criticized the previous party committee for its "serious mistakes" in the presence of his predecessor Grishin last month.

XINHUA VIEWS SRV COLONIAL RULE IN CAMBODIA

OW190037 Beijing XINHUA Domestic Service in Chinese 1310 GMT 18 Feb 86

["Roundup" by Zhao Rui: "The Vietnamese Authorities Are Intensifying Their Colonial Rule Over Cambodia"]

[Text] Beijing, 18 Feb (XINHUA) -- Toward the end of 1978, the Vietnamese authorities dispatched an army 200,000 strong to invade Cambodia, using the bayonet to prop up the Heng Samrin regime in Phnom Penh. For more than 7 years, the Le Duan clique has slaughtered the Cambodian people while imposing colonial rule in political, economic, cultural, and other spheres of Cambodian life. The Vietnamese authorities' aim is so treacherous and their means so cruel that people boil with anger.

1. The Vietnamese authorities control all levels of the Heng Samrin regime from central down to local governments. Shortly after taking over Phnom Penh in early 1979, the Vietnamese authorities installed a "Cambodian Workers Committee" as the supreme command for carrying out aggressive activities in Cambodia. Under the "Workers Committee" are a number of branch organizations that control various party and government organs in the Heng Samrin regime. Vietnamese Army Headquarters (code named 719) is responsible for controlling Heng Samrin's troops. Since 1980, the Vietnamese authorities have successively formed "sister" city or province ties between 19 cities and provinces in southern Vietnam and Cambodia in order to intensify control over the local governments of the Heng Samrin regime at and below the provincial level. At the same time, the Vietnamese authorities also dispatched Vietnamese "advisers" and "experts" to all Cambodian provinces and cities to exercise direct control over the organs of the Heng Samrin regime from central down to local governments. The Vietnamese control the decisionmaking powers of the Heng Samrin regime's internal, external, and military affairs policies. The Vietnamese authorities also sent Phnom Penh officials to Vietnam to undergo systematic training in an effort to win their loyalty, and continuously purge "uncooperative elements" in the Heng Samrin regime. More than 20 officials at and above the provincial level in the puppet regime were purged in the second half of 1983 alone. Even former premiers of the puppet Pen Sovan and Chan Si regimes could not escape punishment by the Vietnamese.

2. The Vietnamese authorities encourage mass emigration to Cambodia in an attempt to gradually change its population structure. Over the past 7 years, nearly 700,000 Vietnamese have emigrated to Cambodia. Most of them are from the populated areas in northern Vietnam. They have settled in large cities, towns, and economic zones in Cambodia. The Vietnamese authorities have also encouraged retired Vietnamese Army officers and soldiers in Cambodia to settle in Cambodia and become Cambodian citizens. According to a Vietnamese-Cambodian border agreement signed between Vietnam and Phnom Penh's Heng Samrin regime, Vietnamese people are allowed to freely enter and leave Cambodia. Some Vietnamese have set up permanent businesses in Camboida, especially in large cities. Presently, the Vietnamese make up more than 60 percent of the population of Phnom Penh. "Cooperatives" and "production service companies" run by Vietnamese are seen everywhere, especially along some key roads and in fertile areas. Residents of some eastern towns are mostly Vietnamese. They have forcibly taken away the Cambodian people's farmland and looted their natural resources. For example, Zhupu rubber plantation, Cambodia's largest, has been largely taken over by Vietnamese.

3. The Vietnamese authorities have pursued a policy of national assimilation. The Vietnamese occupation troops have carried out the policy of national assimilation by forcing all schools in occupied areas to follow Vietnamese-style education. Teachers are selected and trained by the Vietnamese; textbooks and teaching programs are drafted and edited by the Vietnamese; and students are forced to study the Vietnamese language, music, and drama.

The Vietnamese occupation troops have also forced middle school students and government and army officials at various levels in the Heng Samrin regime to take up Vietnamese as the primary foreign language and to regard it as a condition for entering higher schools, employment, or receiving promotion. Another method of the policy of national assimilation is to "encourage" mixed marriages between Vietnamese and Cambodians. At present, most of the Heng Samrin regime's government and army officials, especially senior officials, have Vietnamese spouses. It is rather common for officers and soldiers of the Vietnamese Army in Cambodia and Vietnamese advisers and experts to marry Cambodian women. According to reports, by early 1985, there were already some 13,000 Vietnamese-Cambodian mixed blood children in Battambang and Siem Reap Provinces alone.

4. The Vietnamese authorities have wilfully plundered Cambodia's natural resources. Cambodia has always been reputed as the "land of fish and rice." The large number of Vietnamese emigrants occupy the fertile areas in the vicinity of Phnom Penh, along the Mekong River, and around Tonle Sap Lake. Major commercial sectors in large cities are monopolized by Vietnamese. They have looted large quantities of rubber, lumber, grain. fish and shrimps, and pepper from Cambodia for Vietnamese consumption and foreign trade.

Vietnam's savage occupation and plunder of Cambodia has aroused strong dissatisfaction and resistance from people in various places in Cambodia. In areas around the Tonle Sap Lake, along the Mekong River, and in eastern Cambodia bordering Vietnam, where most of the Vietnamese emigrants have settled down, the local people and soldiers from Phnom Penh are cooperating with the patriotic forces in raiding Vietnamese military camps and sentry areas in an effort to dissolve Vietnamese-supported puppet village and town governments. Clashes between Heng Samrin troops and Vietnamese occupation troops have also increased. The Cambodian people's resistance and struggle will make it impossible for the Vietnamese authorities to realize their scheme of annexing Cambodia.

DK ARMY ATTACKS VIETNAMESE IN CAMBODIA

OW180856 Beijing XINHUA in English 0646 GMT 18 Feb 86

[Text] Beijing, February 18 (XINHUA) -- The National Army of Democratic Kampuchea [DK] attacked a Vietnamese regiment command headquarters and three Vietnamese strongholds, in Koh Kong Province, on February 14, killing 89 Vietnamese and wounding another 66, Radio Democratic Kampuchea reported today. The attacks took place in Dam Plur near the Metuk River, west of Koh Kong City.

In the raids which lasted for half an hour, the National Army also captured a number of weapons and destroyed an ammunition depot, the radio said. According to the report, another 18 Vietnamese were killed on the same day by the National Army when a contingent of Vietnamese troops came to reinforce these strongholds.

U.S. DELEGATION TO MIA TALKS SHORTENS SRV VISIT

OW151803 Beijing XINHUA in English 1651 GMT 15 Feb 86

[Text] Hanoi, February 15 (XINHUA) -- A U.S. congressional delegation led by Congressman Gerald Solomon suddenly wound up its visit to Vietnam because of its failure to meet with Vietnamese Foreign Minister Nguyen Co Thach. The nine-member delegation, which arrived in Hanoi yesterday, left here this afternoon.

According to the original arrangement, Solomon and his delegation would pay a 36-hour visit for talks with Vietnamese leaders on U.S. servicemen missing in action (MIA) and American prisoners of war (POW) and meet with Nguyen Co Thach this afternoon, but instead, with Special Foreign Minister Vo Dong Giang.

Diplomatic sources here said Solomon might "feel unhappy" about this sudden change of arrangement. Not long after the two-hour talks with Vietnamese Vice Foreign Minister Hoang Bich Son this morning, the delegation declared that it would not go on with the schedule, and left here earlier than planned.

Well-informed sources here said that Solomon had talked with Hoang Bich Son on the MIA and POW issues. But they did not discuss the relations between the two countries or the international siutation, including the Kampuchea issue. When a Vietnamese official was asked about why the delegation left here ahead of schedule, he refused to explain, saying he did not know the reason either. The delegation is the second such group to come here within over a month, and today's was the first such incident in the three-year MIA talks, which had run smoothly.

THAI CULTURAL DELEGATION 'IMPRESSED' WITH XIZANG

OW181818 Beijing XINHUA in English 1635 GMT 18 Feb 86

[Text] Ihasa, February 18 (XINHUA) -- Thai Minister of Education Chuan Likphai expressed his appreciation for China's efforts in protecting cultural and historical relics in Tibet after his two-day visit to Lhasa, capital of the Tibet Autonomous Region. Leading a nine-member Thai Government cultural delegation, Chuan Likphai arrived in Lhasa yesterday after visiting Beijing at the invitation of the Chinese Ministry of Culture.

During its stay in Tibet the delegation visited an exhibition on the region's development, a folk arts hall, Qoikang temple, the Potala Palace, Norbu Linka Park, the Lhasa Fair on Octagonal Street and a Tibetan family. Chuan Likphai attended the prayer ceremony at the Qoikang Temple, and presented a statue of Buddha. He said that he was very impressed by the present life of the Tibetan people and the freedom of religion in China. He also said that Lhasa is becoming a modern city. He expressed his hope that the friendship between the Thai and Chinese people would continue to develop and promised that thewould work to improve the friendly relations between the two countries.

The delegation was also briefed by officials of the autonomous region on Tibetan culture and history. Chuan asked in detail about the local people's life and religion. The Thai visitors will leave Lhasa tomorrow for Chengdu, Sichuan Province, and Kunming, Yunnan Province.

DISENFRANCHISEMENT IN PHILIPPINE ELECTION RAPPED

OW181637 Beijing XINHUA in English 1453 GMT 18 Feb 86

[Text] Manila, February 18 (XINHUA) -- Mr. Concepcion, chairman of the National Citizens' Movement for Free Elections (Namfrel), said here today that 3.3 million voters failed to vote in the February 7 poll of the Philippines because they could not find their names in the voters' lists. Namfrel was the citizens'arm of the Commission on Elections during the voting and canvassing period.

Concepcion told a gathering of business executives that the disenfranchisement of 3.3 million voters practically altered the margin and the outcome of the election. Because of the disenfranchisement of voters, Concepcion said, only 76.96 percent of the 26.2 million registered voters cast their ballots, making the voters' turnout "one of the lowest, if not the lowest" in history. He charged the disenfranchisement was done by scrambling the list of voters, slowdown in voting procedures, and late opening and early closing of polling precincts, adding that the political bailiwicks of opposition candidate Corazon Aquino was most hurt.

Civil Disobedience Begins

OW181643 Beijing XINHUA in English 1510 GMT 18 Feb 86

[Text] Manila, February 18 (XINHUA) -- The nationwide civil disobedience campaign called by opposition presidential candidate Corazon Aquino appeared to have taken its toll here. Hundreds of supporters of Mrs. Aquino today picketed the offices of three pro-government dailies -- BULLETIN TODAY, PHILIPPINE DAILY EXPRESS and TIMES JOURNAL -- to protest what they considered "biased reporting" for President Ferdinand Marcos and the ruling party. The picketers brandished placards, distributed leaflets, and burned copies of the newspapers to dramatize their protest.

Last Sunday Mrs. Aquino called for nationwide protest action against the massive fraud and terrorism in the February 7 polls, including the boycott of crony media and seven banks which have close links with the government. Heavy withdrawals of deposits in the seven banks were reported in the financial districts of the capital. The heavy withdrawals actually started yesterday, according to a bank official.

MARCOS ACCEPTS RESIGNATION OF GENERAL VER

OW161336 Beijing XINHUA in English 1325 GMT 16 Feb 86

[Text] Manila, February 16 (XINHUA) -- President Marcos today announced that he has accepted the resignation of Armed Forces Chief of Staff Gen. Fabian C. Ver. Marcos made the announcement at a press conference at the presidential palace this afternoon. He said the general had resigned from all his military posts.

The president said that after his retirement, Ver might become a civilian member of the Board of Generals and would be available as a "consultant" to the military. At the same time, the president designated Constabulary and Integrated National Police (INP) Chief Lt. Gen. Fidel V. Ramos as acting Armed Forces chief of staff. Ramos worked at the acting chief when Ver was indicted in the 1983 assassination of opposition leader Benigno Aquino. Ver reassumed his position as the highest officer in the military after he was acquitted of the charges filed against him last December. Marcos said he might also dismiss other overstayed generals as this had been already recommended. Asked about the incidents of fraud and violence in the Feb. 7 polls, the president pledged to investigate those cases and to prosecute those who had violated the law, whether he is a ruling party member or an oppositionist.

HONG KONG INDUSTRIALIST ON U.S. TRADE TIES

OW151759 Beijing XINHUA in English 1644 GMT 15 Feb 86

[Text] Hong Kong, February 15 (XINHUA) -- Hong Kong regards the United States as its largest market, as about 40 percent of its exports go to that country, a local leading industrialist said here today. Last year, the territory's exports to the U.S. came to 72 billion H.K. dollars (about 9.23 billion U.S. dollars), S.Y. Chung, chairman of the Hong Kong-U.S. Economic Cooperation Committee, told XINHUA.

Meanwhile, imports from the U.S. were worth 22 billion H.K. dollars, roughly 10 percent of Hong Kong's total, said Chung, who is also the chairman of Sonca Industries Ltd. Chung is leaving here tomorrow for Canada and the U.S. as the head of a top-level Hong Kong economic and trade delegation. He said that the delegation will attend the third joint plenary session of the Hong Kong-U.S. and the U.S.-Hong Kong Economic Cooperation Committees to discuss important bilateral trade and economic issues. Sir David Akers Jones, Hong Kong's chief secretary, will also attend the session of both committees as the guest-of-honor.

Delegation members will also hold talks with U.S. Government officials and explain to the U.S. Government and business community the free enterprise situation in Hong Kong. Chung pointed out that while the U.S. has practised protectionism, such as in the case of the Jenkins Bill, against other countries and regions, "Hong Kong does not impose protectionism, import duties or import quotas." "Hong Kong allows the establishment of foreign banks and insurance companies, and the U.S. has 20 banks in Hong Kong," he added. He said Hong Kong has many advantages for expanding trade ties with the United States.

For example, it is the largest financial center in east Asia, with 350 financial companies and 145 licensed banks, 100 of which are foreign. Its profit tax rate is very low (18.5 percent). Moreover, it is a gateway to the Chinese mainland; an increasing number of provincial and national trade companies from the mainland have offices in Hong Kong. As the largest foreign investor in Hong Kong, the U.S. now has 140 factories employing 40,000 Hong Kong people, Chung said. In addition, the U.S. has great potential to sell more to Hong Kong, since its exports accounted for only 10 percent of the territory's total last year. "U.S. products and service industries can compete freely and fairly in Hong Kong," Chung noted.

ZHAO ZIYANG TALKS WITH HONG KONG BUSINESSMAN

OW161104 Beijing XINHUA in English 1054 GMT 16 Feb 86

[Text] Guangzhou, February 16 (XINHUA) -- Premier Zhao Ziyang told Henry Ying Tung Fok from Hong Kong here yesterday that the Hainan Island would continue to open to the outside world while enlivening its own economy. There are many favorable conditions in Hainan for developing its economy and tourism, he said. He said he hoped Mr. Henry Ying Tung Fok and other Hong Kong and Macao entrepreneurs would visit Hainan and support its development and construction.

"China's policy of opening to the outside world while enlivening domestical economy is a success," he said. "Now China's economic reform is proceeding smoothly both in the countryside and cities, and a very good situation has emerged, this proved that we are proceeding along a correct path and the result is better than we expected."

PRC TO PARTICIPATE IN AUSTRALIAN EXPOSITION

OW141916 Beijing XINHUA in English 1452 GMT 14 Feb 86

[Text] Canberra, February 14 (XINHUA) -- China will take part in an Australia-sponsored world exposition "World Expo' 88" during the country's bicentenary celebrations in 1988, Australian minister of sports, recreation and tourism John Brown said here today. The exposition will be staged in Brisbane, capital city of the northeastern state of Queensland, for six months between April 3 and October 30, 1988.

Brown said that China's participation in the "World Expo' 88" was formally confirmed by Chinese Communist Party General Secretary Hu Yaobang when he met Australian Prime Minister Hawke during his visit to Australia last April. Brown said: "We are confident that the Chinese exhibit at Expo' 88 will help to ensure the exposition's success as a major event in Australia's bicentennial year." China is the eleventh country to accept the Australian government's invitation. Earlier, the United Kingdom, Seychelles, San Marino, Tonga, New Zealand, Solomon Islands, the United States, Fiji, Papua New Guinea and Japan announced their participation.

PRC FARES 'WELL' IN INDIAN PRINTING EXHIBITION

OW171629 Beijing XINHUA in English 1521 GMT 17 Feb 86

[Text] New Delhi, February 17 (XINHUA) -- China fared well at the New Delhi Printek 1986 concluded here today with a deal of more than one million U.S. dollars and the first award for the post-press section. This is the second time that China participated in the international printing technology exhibition which is sponsored by the Federation of Indian Publishers and held once every three years.

All the pre-press, press and post-press machines China put on display at this year's exhibition have been sold out and several contracts of orders have been signed, with a total volume of business hitting the million-dollar mark, far surpassing that of 1983 which was next to nil. Indian publishers and manufacturers commented that the Chinese printing machines are relatively advanced in technology, reasonable in price, fashionable in design and easy to operate. Manufacturers from about a dozen countries participated in the printek, including Japan, Federal Germany, the United States and Czechoslovakia.

WU XUEQIAN MEETS PAKISTANI BOUNDARY DELEGATION

OW181308 Beijing XINHUA in English 1256 GMT 18 Feb 86

[Text] Beijing, February 18 (XINHUA) -- Wu Xueqian, state councillor and minister of foreign affairs, met and had a friendly talk with a Pakistani delegation of the China-Pakistan Joint Boundary Inspection Committee here this afternoon. Chief representative of the delegation is Dr. Maqbool Ahmad Bhatty, who is also the Pakistani ambassador to China.

Wu expressed his satisfaction with the unanimous views shared by the two delegations on the arrangement of this year's inspection work on the boundary.

PAKISTAN TO OPEN KHOKHROPAR BORDER WITH INDIA

OW050914 Beijing XINHUA in English 0830 GMT 15 Feb 86

[Text] Islamabad, February 15 (XINHUA) -- Pakistan will open Khokhropar border with India to alleviate the difficulties of people travelling to India via the land route, according to PAKISTAN TIMES today. This was announced by Prime Minister Mohammad Khan Junejo while addressing a meeting of Pakistan Muslim League in Karachi yesterday.

The decision, Junejo said, has been taken by the government to meet the wishes of the people living in Karachi and Sind, who have been facing problems in visting their relatives in India. Previously they had to travel a long and expensive route via Lahore to meet their relatives in the neighboring country. A formal announcement will be made by the government after sorting out the legalities involved in opening the Khokhropar border with the Indian authorities and making necessary arrangements regarding immigration posts and other matters, the prime minister said.

The Khokhropar border, linking Pakistan's Sind Province with India's Rajasthan State and further leading to Uttar Pradesh (northern state), has remained closed for the last 35 years. Its opening will reduce the pressure on the Wagah border near Lahore where the traffic of visiting relatives between the two countries are so busy that travellers have to wait for ten hours for clearance of custom procedures. In Pakistan's Sind Province, 40 percent of the population are muslims immigrated from India.

SHANGHAI, WEST EUROPE BEGIN TRADE TALKS

OW180750 Beijing XINHUA in English 0740 GMT 18 Feb 86

[Text] Hamburg, February 17 (XINHUA) -- An exhibit of Shanghai-made costumes and consumer goods opened in this Federal German city today, as trade talks began between the Shanghai External Trade Commission and the West Europe-China Trade Center. Also on display at the exhibit, the first in Western Europe by Shanghai, China's leading industrial city, were sports and tourist goods, toys, medicines and medical equipment, hardware and petrochemical products.

Businessmen from many of Federal German's West European neighbors are also participating in the trade talks, which are being promoted by the city government of Hamburg. Mayor Klaus Von Dohnanyi will attend a banquet tomorrow evening hosted by the Shanghai Commission and the trade center, joint sponsors of the week-long trade talks. Federal Germany is the fourth largest of Shanghai's more than 160 foreign trading partners. Federal Germany ranked fourth.

INTERNATIONAL TOURISM EXHIBITION OPENS IN HAMBURG

OW160346 Beijing XINHUA in English 0336 GMT 16 Feb 86

[Text] Hamburg, February 15 (XINHUA) -- The ninth Hamburg international tourism exhibition opened here today, featuring a large presence of tourist companies from all over the world and a photo show on China. About 356 companies from 36 countries and regions attended the exhibition with their exhibits occupying a floor space of 19,000 square meters.

China, which came to the exhibition for the second time, exhibited models of Suzhou gardens characteristic of China's ancient architecture. It also showed about 102 pictures on China taken by foreign tourists which won prizes in a China-organized photo competition. Wang Yanyi, China's general consulate to Hamburg, presented prizes to photographers on behalf of the competition organizer. He announced that the first three winners will be allowed to travel in China for two weeks this year free of charge. The international tourism exhibition will end on February 23.

AUSTRIA-PRC AMITY GROUP CELEBRATES NEW YEAR

OW160738 Beijing XINHUA in English 0718 GMT 16 Feb 86

[Text] Vienna, February 15 (XINHUA) -- About 800 Austrians, Chinese students and Chinese residents here attended a party held Friday evening by the Austrian-Chinese Friendship Association to celebrate China's traditional new year. Otto Rosch, honorary chairman of the association, told the party that he was glad to see a stronger China and a continuous development of relations between the two countries. Chinese folk artists and famous Austrian singers gave interesting and excellent performance at the party.

CHINESE PAINTING EXHIBIT OPENS IN ICELAND

OW160342 Beijing XINHUA in English 0323 GMT 16 Feb 86

[Text] Stockholm, February 15 (XINHUA) -- A traditional Chinese painting exhibition opened in Reykjavik, the capital of Iceland, today, a report from there said. Icelandic Cultural Minister and Chinese charge d'affaire a.i. spoke at the opening ceremony.

Icelandic President Vigdis Finnbogadottir was present at the ceremony and visited the exhibition with great interest.

DELEGATION ATTENDS HUNGARIAN TRADE UNION CONGRESS

OW141855 Beijing XINHUA in English 1648 GMT 14 Feb 86

[Text] Budapest, February 14 (XINHUA) -- The 25th congress of Hungarian trade unions opened here this morning with the participation of more than 800 delegates and about 400 representatives from over 30 trade union organizations of foreign countries. Deputy general secretary of the Hungarian Workers' Party Karoly Nemeth and Premier Gyorgy Lazar attended the opening session.

In a report to the congress, Sandor Gaspar, president of the Central Council of Hungarian Trade Unions, reviewed the council's work since the previous congress and its tasks in the future. Gaspar said, "in the practice of workplace democracy the trade unions are to continue to act as the representatives of the working collectives." He pointed out that the unions must take into account the questions of economic policy because the evolvement of economic efficiency can contribute to resolving the contradictions in the building of socialism. "The evolvement of enterprise self-government must run concomitant with the growth in the political and societal significance of the trade unions," Gaspar noted. He stressed the need for the unions to take an active part in formulating and implementing the state economic policies. He said that the international activities of Hungarian trade unions are extensive, many-sided and versatile. The unions not only have close ties with the fellow bodies in the socialist countries, but also pay great attention to the relations with European capitalist countries and developing nations.

Present at the congress was a Chinese delegation headed by Chen Bingquan, vice-president of the All-China Federation of Trade Unions. Chen held talks with Gaspar on February 10. The trade union organization of Hungary has about five million members, half of the country's population. It has established relations with trade unions of 104 nations.

Congress Ends

OW170804 Beijing XINHUA in English 0724 GMT 17 Feb 86

[Text] Budapest, February 16 (XINHUA) -- Hungarian trade unions ended their 25th congress today after three days of discussion on economic problems. Sandor Gaspar and Tibor Baranyai were reelected president and general secretary of trade unions respectively at today's closing session.

In his report, Gaspar stressed the need for the unions to take an active part in formulating and implementing the state economic policies. He called for making efforts to boost the economy and fulfil the Seventh Five-Year Plan (1986-1990). He urged workers to better discipline and work harder to increase the country's wealth.

In response to delegates' questions, Gaspar said protecting workers' interests and promoting production are the two major and inseparable tasks of the unions. During the congress, delegates voiced complaints about the declines in real wages and real pensions as well as other social benefits including health care and the provision of flats. The rises of wages and salaries have failed to keep up with inflation in the past five years, they said. Karoly Nemeth, deputy general secretary of the Hungarian Workers' Party admitted that shortcomings in the government work and economic performance had contributed partly to these problems. Vice Premier Lajos Faluvegi, answering questions from delegates, promised to adopt measures to raise wages and pensions and allow local councils to build more flats this year. Nearly 800 delegates from across the country attended the three-day congress.

SFRY, ITALIAN COMMUNISTS HOLD TALKS IN BELGRADE

OW180320 Beijing XINHUA in English 0248 GMT 18 Feb 86

[Text] Belgrade, February 17 (XINHUA) -- The situation in the world is pregnant with tendencies toward wars and other conflicts and threatening world peace and security, leaders of the League of Communists of Yugoslavia and the Italian Communist Party stated today.

A communique on the talks between Vidoje Zarkovic and Alessandro Natta, which was published by the TANJUG NEWS AGENCY, said that "it is necessary to launch an extensive international action for halting the arms race which results from big power ambitions and bloc rivalry." Both leaders stressed that the policy from the positions of strength and interference in the internal affairs of others should be abandoned and an equitable international cooperation based on active peaceful coexistence among all countries should develop. "They in particular emphasized the need for ensuring a peaceful and undisturbed development of Mediterranean countries and preventing outside attempts at interfering in this sensitive region," the communique said.

Zarkovic, president of the Yugoslav Communists League, and Natta, general secretary of the Italian Communist Party, also discussed the current situation of the international workers' movement. They reaffirmed that the working class and other progressive and democratic parties and movements, based on the principles of mutually full respect, independence, equality and non-interference in others' internal affairs, could contribute significantly to the success of the struggle for peace and for the right of all peoples to independently decide on their paths of development, the communique said. Alessandro Natta, who arrived here yesterday, is paying a return visit to the League of Communists of Yugoslavia. Former president of the league Ali Sukrija called on leaders of the Italian Communist Party in October 1984.

POLISH PARTY DRAFT PROGRAM UNDER DISCUSSION

OW180859 Beijing XINHUA in English 0723 GMT 18 Feb 86

["News Analysis: Polish Party Draft Program Urges Taking Socialist Road Under Polish Conditions (by Wen Youren and Shan Xi)" -- XINHUA headline]

[Text] Warsaw, February 18 (XINHUA) -- The draft program of Poland's ruling party, now under discussion before being submitted for approval to the national congress in June, may reveal the present leadership's goals: Poland should follow the road to socialism according to its specific domestic conditions, a sharp contrast with the programmatic documents adopted at the party's seventh congress ten years ago.

The idea of drafting a program, the first of its kind in the Polish United Workers Party's history, was proposed at the party's ninth extraordinary congress in 1981. The congress stressed in its resolutions the need to formulate a "long-term" party program, as the previous congresses only adopted programmatic documents instead of party programs to use as guidelines. In October 1981, a drafting committee was established. The draft program was discussed in detail at a national theoretical meeting last November before it was published a week ago for public debate.

At the party's seventh congress in December 1975, Edward Gierek, former first secretary of the party who took over from Wladyslaw Gomulka after the late 1970 labor incident, delivered a report from the decision-making Politburo. That report and a resolution passed by the congress were seen as the party's action program during the 1970s. Several differences can be found in many major points between the newly-published draft program and the 1975 documents.

The most striking difference deals with what development period Poland is in. This may suggest a significant change in the way the party views the question. In the 1975 documents, Poland is described as a country "of total socialist character." It had entered a new and more advanced stage of building developed socialism, according to the documents. While in the draft program, Poland is defined as in a "long transition period" in which the foundation of socialism is still being laid in all fields. At November's theoretical meeting, Wojciech Jaruzelski, first secretary of the Polish party, also spoke of the "transition period." Poland is still in a class society full of contradictions, he added. The theoretical magazine IDEOLOGIES AND POLITICS put it more unequivocally when it said that the conclusions in the 1975 documents and those of the eighth congress (1980) were "premature" and a developed stage of socialism should only come next.

Another major difference between the 1975 documents and the draft program is on the party's guiding ideology. The 1975 documents emphasize the universality of the Marxist truth and common experience of socialist countries, particularly that of the Soviet Union, in running the country. The draft program, however, stresses integrating the universal truth of Marxism with each nation's actual conditions and practice, and says Marxism itself needs continual enriching. Jaruzelski warned against underestimating or denying the importance of national characteristics and socialist construction, a tendency he said hinders and serves to distort socialist development, resulting in making the working people disapprove of socialism.

The two versions also differ on economic policies. The 1975 documents focus on tighter centralism and discipline in production. The draft program pledges to carry out economic reforms and to grant more decision-making power to enterprises, while maintaining and strengthening the strategic role of the central planning system. Jaruzelski said that in the long-run, reform, instead of being a stopgap measure, will be a bridge leading to a more advanced stage of socialist transformation. While the 1975 documents provide for an accelerated social transformation in Poland's rural areas, the draft program favors an "evolutional transformation" in agriculture, which it says could be effected through free choice by farmers in managing their systems. The program also mentions the "supplementary role" of privately owned businesses in the economy.

Poland's foreign policies discussed in the draft program, if compared with the 1975 documents, can be seen as being oriented to serving the country's domestic development and safeguarding national interests. All these divergent points may reflect the past lessons drawn upon by the Polish leaders who realize that Poland should follow the road to socialism in light of its specific conditions.

ENVOY TO UGANDA MEETS NEW PRESIDENT, PRESENTS AID

OW171957 Beijing XINHUA in English 1945 GMT 17 Feb 86

[Text] Kampala, February 17 (XINHUA) -- Ugandan President Yoweri Museveni said today that his country will remain non-aligned and is developing relations with all countries. "Uganda chooses its position in accordance with its own judgement and own interests and will never attach itself to any country," the president added.

Museveni made the remarks when he met with the Chinese ambassador to Uganda, Jin Boxiong, this afternoon in Kampala. On behalf of the Chinese Red Cross, Jin Boxiong presented the president with relief funds worth 50,000 U.S. dollars for the resettlement of refugees. The ambassador expressed China's support for the Ugandan cause, saying China is determined to consolidate and further develop relations of friendship and cooperation between the two countries.

TANZANIAN PRESIDENT MEETS MEDICAL TEAM

OW180142 Beijing XINHUA in English 0136 GMT 18 Feb 86

[Text] Dar es Salaam, February 17 (XINHUA) -- Tanzanian President Julius Nyerere today received a Chinese medical team in Dodoma, Tanzania's new capital. The president held friendly conversations with the Chinese doctors working in the new capital and gave a dinner in their honor.

Nyerere praised the doctors for their good work under harsh and difficult conditions. The Chinese doctors thanked the president for his kind reception on the eve on the 21st anniversary of the signing of the Sino-Tanzanian friendship treaty which falls on February 20. Chinese medical teams have been working in Tanzania for 18 years under an agreement signed between the two governments.

LAST OF 22,000-TON GRAIN DONATION ARRIVES IN SUDAN

OW141844 Beijing XINHUA in English 1838 GMT 14 Feb 86

[Text] Khartoum, February 14 (XINHUA) -- The Chinese Government has donated 22,000 tons of grain to Sudan for helping drought victims in the country. The grain has been delivered in five shipments beginning last June. The last shipment was delivered Thursday.

Sudan and other African countries sustained continuous droughts from 1981 to 1984. Seven million Sudanese have become victims of drought and desertification. A bumper harvest of sorghum in the country last year has somewhat alleviated the calamity, but three million people are still in need of food relief.

NINGXIA STUDY GROUP TO LEAVE FOR EGYPT

OW151547 Beijing XINHUA in English 1537 GMT 15 Feb 86

[Text] Yinchuan February 15 (XINHUA) -- A five-member study group from northwest China's Ningxia Hui (Muslim) Autonomous Region will leave for Egypt February 18. The group is led by Ma Maode Aimin, general manager of the Ningxia Islamic International Economic and Technological Corporation. They will discuss a joint project with their host, the Ministry of Awqaf (religious endowments), to develop hilly and uncultivated land in Egypt. General Manager Ma will also discuss with his Egyptian counterparts joint ventures concerning the establishment of a building comapny, cement plant, building materials plant and garment factory. The invitation was extended by Minister of Awqaf Muhammed al-Ahmadi Abu al-Nur during his trip to the autonomous region last September.

The Egyptian minister expressed interest in the region's farming technology and signed an agreement on cooperation in economy, technology, science and culture between the two countries.

MUBARAK, 'ARAFAT ON U.S. PALESTINE STATEMENT

OW140220 Beijing XINHUA in English 0210 GMT 14 Feb 86

[Text] Cairo, February 13 (XINHUA) -- Egyptian President Husni Mubarak expressed here today appreciation of the statement issued on Monday by the U.S. State Department spokesman, in which the U.S. Administration admitted for the first time that the Palestinian people's right should be recognized, although it did not mention definitely the Palestinians' right to self-determination.

Following a 30-minute meeting this evening with visiting Palestine Liberation Organization (PLO) Chairman Yasir 'Arafat, Mubarak said the U.S. statement "is encouraging and is a good step forward." Mubarak also said that he reviewed with Arafat the latest developments in the Middle East political situation and will meet with 'Arafat again Saturday. Asked about the results of his current visit to Cairo, 'Arafat said that he expected everything to be constructive.

'Arafat arrived here this afternoon for a few day's visit. Upon arrival, he said that he will discuss the U.S. statement with President Mubarak. Meanwhile, he blamed the United States for the stalemate of the Middle East peace process. Saying that the Jordanian-Palestinian talks in the last two weeks stopped without results due to the American intransigence and alignment to Israeli position, which denies the right to exist for the five million Palestinians, he pointed out that the United States used veto (in the U.N. Security Council) three times in one month to shield Israel.

It was reported that Egypt is trying to break the current stalemate by intensively contacting with the United States and the PLO. The United States insists that the PLO recognize the U.N. Security Council Resolutions 242 and 338, which imply recognition of Israel, as a qualification for taking part in the peace negotiations. Meanwhile, the PLO demands that its recognition of Resolutions 242 and 338 be based on the condition that the United States and Israel recognize the Palestinian people's right to self-determination, which implies the establishment of a Palestine state.

'Arafat Comments Further

OW151749 Beijing XINHUA in English 1621 GMT 15 Feb 86

[Text] Cairo, February 15 (XINHUA) -- Visiting Palestine Liberation Organization Chairman Yasir 'Arafat said here today that the statement made by U.S. State Department spokesman on February 10 on the rights of the Palestinian people is "a step forward" from the United Nations Security Council Resolutions 242 and 338, according to MIDDLE EAST NEWS AGENCY. 'Arafat made these remarks to reporters after a meeting with Egyptian Premier 'Ali Lutfi today. He noted that the American statement referred for the first time to the legitimate rights of the Palestine people.

Meanwhile, Premier 'Ali Lutfi told reporters that the Egyptian and Palestinian sides are in agreement concerning the recent American statement. He hoped the U.S. statement would be followed by other positive steps so that a just peace might be reached through the Jordanian-Palestinian accord reached on February 11 last year or through the convening of an international peace conference on the Middle East. The spokesman of the U.S. State Department Charles Redman stated on February 10 that the Palestinian people's rights should be recognized, although he did not mention definitely the Palestinian people's right to self-determination as the PLO had demanded.

Yesterday, 'Arafat said in an interview with AKHBAR AL-YAWM newspaper that the U.S. statement contained nothing other than what was forwarded by President Ronald Reagan in his initiative of September in 1982. He stressed in the interview that the statement in its entirety is not new, but a return to the old American stance. Egypt welcomed the U.S. statement soon after it was announced, saying it was positive and step forward.

ENVOY VOICES 'CONCERN' OVER IRAN-IRAQ WAR

OW160745 Beijing XINHUA in English 0720 GMT 16 Feb 86

[Text] Tunis, February 15 (XINHUA) -- Secretary General Chedli Klibi of the Arab League received the ambassadors to Tunisia of the five permanent members of the U.N. Security Council here yesterday and today on the situation of the Iraq-Iran war. The five permanent members of the United Nations Security Council are China, the United States, France, Britain and the Soviet Union.

During the meetings, Klibi briefed the envoys on the current situation of the Iraq-Iran war and the meeting held in Baghdad on February 12 by the Iraq-Iran war follow-up committee, composed of Saudi Arabia, Kuwait, Jordan, Tunisia, Morocco, Arab Yemen and Iraq. Klibi said that the latest escalation of the war is seriously imperilling peace and security in the Gulf countries. He said that the Iraq-Iran war follow-up committee called on the United Nation to hold an urgent Security Council meeting to discuss the war. Chinese Ambassador Xie Bangding told Klibi today that the Chinese Government is concerned over the current escalation of the war and appealed to Iraq and Iran to cease fire immediately and to resolve their differences and conflict. He reaffirmed that the Chinese Government supported all kinds of efforts by the international community and parties concerned in order to end the Iraq-Iran war.

STALEMATE PREDICTED IN IRAN-IRAQ FIGHTING

OW160848 Beijing XINHUA in English 0816 GMT 16 Feb 86

["News Analysis: Neither Side Can Get Upper Hand in Iran-Iraq War (by Yin Congjing)" -- XINHUA headline]

[Text] Baghdad, February 14 (XINHUA) -- Iran's new offensive against the Iraqi port town of Al Faw is still continuing, with claims of victory by both sides. Observers believe that Iran in its new thrust will face difficulties politically and militarily.

The operation, the third of its kind in the past three years, was a surprise attack launched just one day after the Iraqi revolutionary festival. About 100,000 Iranian troops crossed the Shatt al 'Arab and captured the Umm al-Rasas Island, where an important oil complex is located, and Al Faw, a strategically important port of Iraq in the northwestern Gulf near Kuwait. After two days of fierce fighting, Iraq claimed that it had totally recaptured the Island Umm ar Rasas. But it declined to give a clear explanation about the fate of Al Faw, saying that "the enemy is being encircled." However, Iran hailed the "victory" of the operation. In fact, both sides are busy planning new countermoves as the battle is going on.

On the second day of Iran's offensive, the Iraqi Foreign Ministry said that the Iranians have two possible aims: To threaten Basra, the second largest city in Iraq, which is less than 100 km from Al Faw; and to cut off the transport line between Iraq and Kuwait, which is crucial for Iraq as it gets much of its imports via Kuwait, so as to impose a threat to other Gulf states. But observers do not believe it is easy for the Iranians to hit their targets.

Basra has been a target of Iranian forces in the past four years, but they tried in vain to capture it in several big operations. Now the third corps of the Iraqi Army heavily equipped with modern weaponry is defending the city, thus erecting a powerful barrier against the Iranians.

On February 14, the third corps waged a counter-offensive on the Majnun Island, which has been occupied by the Iranians for more than two years, and recaptured part of it. As for the threat to other Gulf states, it is difficult for the Iranians to cross the large area of waterland to reach the Kuwaiti border. Politically it would further evoke hostilities among the Gulf countries which had openly expressed their support to Iraq in fighting against the Iranian invasion in the past few days. Furthermore, the Iranian threat might arouse opposition from other Arab countries. The 7-nation follow-up committee of the Arab League, which has improved relations with Iran since last year, met in Baghdad on the third day of Iran's offensive. The foreign ministers agreed at the meeting that urgent measures must be taken against the Iran's "new aggression."

In the past few days, leaders of Saudi Arabia, Kuwait, Arab Yemen, Jordan, Egypt and the Palestine Liberation Organization (PLO) have expressed their support for Iraq in one way or another. But Syria and Libya have stood by the Iranians, voicing support for the offensive. Nevertheless, outsiders see no possibility that either side can get the upper hand by war actions. They believe that the only way out for Iran and Iraq is to stop the hostilities and settle their conflict peacefully.

U.S. SUPPORT 'ENCOURAGING' ISRAELI 'AIR PIRACY'

OW160138 Beijing XINHUA in English 0127 GMT 16 Feb 86

[Text] Damascus, February 15 (XINHUA) -- The Arab Union of Air Transport called on the international community Saturday to undertake practical steps towards curbing incidents of air piracy which imperil the safety of civil aviation and innocent lives. The union said following an urgent meeting of its General Assembly here that air piracy such as the Israeli interception of a civilian Libyan airliner carrying Syrian officials early this month runs contrary to international rules of civil aviation.

"The Union strongly denounces this (Israeli) aggression and all acts of air piracy which threaten the safety of civil aviation and innocent lives," a union communique said. The communique warned of an escalation of acts of air piracy if "the world chose to remain silent and not to take measures to curb these crimes." Meanwhile, the director of the Syrian airlines Adnan al-Jali said American support is encouraging the continuation of Israeli air piracy.

BRIEFS

PRC DOCTORS GIVE AID -- Beijing, February 16 (XINHUA) -- Chinese doctors raised more than 13 million yuan last year to support drought-stricken African people, the HEALTH NEWS reports today. Nearly 1,000 hospitals offered special treatment to raise funds for Africa in response to the call of the Red Cross Society of China. Gao Yaojie, a lecturer at the college of traditional Chinese medicine in Henan Province, donated all his monetary reward from a research finding. Many patients at the No 152 and 153 hospitals of the Chinese People's Liberation Army donated their tonic food. "This is our internationalist obligation," they said. [Text] [Beijing XINHUA in English 1309 GMT 16 Feb 86 OW]

COMMENTATOR STRESSES WATER CONSERVATION PROJECTS

OW161153 Beijing XINHUA Domestic Service in Chinese 0247 GMT 16 Feb 86

[XINHUA commentator: Further Promote the Construction of Farmland Water Conservation Projects in Winter]

[Text] Beijing, 16 Feb (XINHUA) -- The flooding and drought in some areas of northeast and south China last year brought a sharp drop in grain production. This has once again taught us the importance of water conservation. Since the beginning of winter an upsurge in building farmland, water conservation projects has emerged in many localities. According to incomplete statistics, by the end of last year, more than 39 million people had been working on water conservation projects each day throughout the country and the amount of accumulated earthwork and stonework had reached more than 1.45 billion cubic meters. Such an outstanding achievement is rare in recent years. We earnestly hope that this momentum can be maintained and even further boosted.

The contract responsibility system of linking remuneration with output and other reforms enforced and carried out in China's countryside since the 3d Plenary Session of the 11th CPC Central Committee has enabled agricultural production to grow at an unprecedented rate. However, this also gave rise to misunderstanding among some comrades, who consequently thought that they could slacken the construction of water conservation projects. The result was that in many localities water conservation facilities were left unrepaired. This, plus the aging of equipment, caused a gradual decline in efficiency. The irrigated acreage throughout the country decreased by 7 million mu from 1981 to 1984. This situation calls for special attention from all quarters.

This year is the first of the Seventh 5-Year Plan. According to this plan, by the end of the 5-year plan China's total grain output is to exceed the 1984 figure by about 100 billion jin. This is a new level for China's grain production. To reach this level, we must rely on policy and science; we must also properly increase material investment in agriculture, improve the means of production, which include water conservation facilities, and build a strong foundation for further agricultural development. Consolidating and developing the foundation of the national economy and fulfilling the Seventh 5-Year Plan are of strategic significance of us. In this context we should understand the importance of promoting the construction of water conservation projects.

Some people held that since agricultural production had increased in the past few years as a result of implementing the responsibility system, why was it still necessary to emphasize water conservation projects? It is wrong to set the responsibility system against the construction of water conservation projects. Experience shows that the responsibility system could not have boosted agricultural production without irrigation facilities; on the contrary, one of its strong points was that it was able to increase agricultural production by taking advantage of the conditions for agricultural production, including farmland water conservation projects that China had built in the past 30 years and more. China's irrigated farmland only accounts for less than one-half of the country's cultivated land, but its grain output accounts for two-thirds of the total in the whole country, while its output of cash crops accounts for three-fourths of the country's total. This shows why it is necessary to emphasize the building of water conservation projects.

After the contract responsibility system based on the household with remuneration linked to output was put into effect in the agricultural sector, production units became smaller and funds and manpower were fairly scattered. Because of this, some comrades complained that it was difficult to organize the masses to build water conservation projects. However, these comrades failed to see the benefits of the responsibility system: building water conservation projects was more closely linked with peasant interests and manpower, and funds in rural areas were more abundant than before.

These things could not have happened before. If we make good use of these favorable conditions with regional features in mind, formulate a policy stressing mutual aid and benefit, rational burden, and efficiency, and do a good job in organizing the masses, we can certainly start an upsurge in building water conservation projects and can certainly do this job better than before.

CPC OFFICIAL EXPLAINS MANDATORY RETIREMENT RULES

OW181214 Beijing XINHUA in English 1159 GMT 18 Feb 86

[Text] Beijing, February 18 (XINHUA) -- China's mandatory retirement rules pursued since 1982 have become formalized. The rules have "helped abolish lifelong terms of office and in so doing promote reform of the system as a whole," an official of the Organizational Department of the Chinese Communist Party Central Committee said today. The rules generally require top party and government leaders at the ministerial and provincial level to retire at 65, while vice ministers, vice governors, vice mayors and vice secretaries at these levels must retire at 60.

In an interview with XINHUA, the Communist Party official said mandatory retirements will "guarantee the normal development of the political life of the party and of the government" as younger people move through the ranks. Most government and party workers normally must retire at 60 if they are male and at 55 if they are female.

Exceptions will be made for veteran officials in key party and government posts at the national level, according to the rules. "We want to keep leaders with top reputations, who are far-sighted and physically able to do their work," the official said. In China, veteran officials refer to the 2.1 million cadres who participated in revolutionary work before the founding of New China in 1949 and are still alive. So far well over half of them have retired, the official said. "Retirement doesn't always come easy to long-time revolutionaries," said the official. "And China can still want their help."

Nearly 3,000 retired officials in Anyang City, Henan Province, for example, acted as instructors in the city's middle and primary schools, helping with ideological and scientific education. Also in Anyang, retired officials have formed youth redemption groups in which they spend time with delinquents reviewing law and socialist ethics. Last year, the city's youth crime rate dropped 21 percent from 1984, and many officials attribute the drop to the redemption groups.

There are 130 retired officials within China's metallurgical ministry, including former vice-ministers, department directors and division chiefs. These veterans have organized themselves as consultants to more than 40 iron and steel works in ten provinces and municipalities.

To enable the retired officials to continue their work for the country, special centers have been established in government institutions and enterprises. More than 1,500 such centers have been set up in Hebei Province alone.

CIVIL SERVICE IMPROVEMENTS, CHANGES VIEWED

OW150220 Beijing XINHUA in English 0209 GMT 15 Feb 86

["Round-up: China Revamping Civil Service" -- XINHUA headline]

[Text] Beijing, February 15 (XINHUA) -- China is overhauling its civil service by improving the systems of election, promotion, appointment and removal, examination and training of party and government officials. On the whole, the readjustment of the composition of the leading organs at the central and all other levels has been conducted in a normal way, an official from the Organization Department of the Chinese Communist Party Central Committee told XINHUA. A typical example in this regard is the smooth advance of the succession of the new party and government officials, especially in the leading organs.

The readjusted central organs are fully competent to ensure the continuity of the country's policies of enlivening the domestic economy and opening to the outside world, the official said. The current central party and government organs are composed of veteran revolutionaries who are responsible for drawing up major policies, and officials who exercise practical leadership over the country's political and economic affairs. The top central organs have also absorbed numbers of newly-promoted younger cadres.

China began to reform its civil service system in a planned way following the Third Plenary Session of the 11th Party Central Committee in late 1978, along with the switch of the focus of the party and the national work to economic construction. Deng Xiaoping, chairman of the Central Advisory Commission, once said "the key to reforming and improving the party and state leadership system lies in the reform and the improvement of various specific systems of the party and state." Two major steps have been taken in the past four years to reform the country's civil administration:

--The government streamlining from February through September 1982, before the 12th national party congress was convened;

--The partial readjustment of the composition of the central and provincial leading organs from the beginning of September last year, when the national party conference was convened.

The streamlining and readjustment were all conducted with the aim of abolishing de facto life tenure of officials and bringing about revolutionized, culturally advanced, professional and younger leaders. The average age of the 64 new members and alternate members of the party Central Committee added to the Committee last September is 50.1 years, and 48 of them have received college education. ABout 113,000 of the 190,000 party and government officials elected to leading posts at the county level last year were college graduates, and over one third of them have professional or technical qualifications.

None of the newly promoted cadres are those who committed mistakes during the "Cultural Revolution" (1966-76) or who disagree with the policies formulated since the Third Session of the 11th Central Committee, which have been proved correct since.

While readjusting the current leading organs, China has also shortlisted nearly 1,000 younger and more capable officials as leaders at ministerial and provincial levels in the future. This is an important measure for guaranteeing the succession of the new cadres, the official said. Some 92 percent of the 1,000, who are 44 years old on the average, have had college educations, and more than 70 are skilled professionals.

ONE MILLION VETERANS REPORTEDLY RETIRE

OW090814 Beijing XINHUA in English 0736 GMT 9 Feb 86

[Text] Beijing, February 9 (XINHUA) -- More than one million veteran officials have retired since 1982 to let younger ones take their posts, accounting for half of those who survived the revolutionary wars prior to the founding of New China in 1949, according to the PEOPLE'S DAILY today. The retirees include 131 former members of the party Central Committee and the Central Advisory and Disciplinary Inspection Commissions, who retired during the national party conference last year. In 1982, the party Central Committee issued circulars calling for veterans to retire to help end the actual life-tenure system.

TIES BETWEEN LITERATURE, MARXISM DISCUSSED

HK180545 Beijing QUN YAN No 1, in Chinese 7 Jan 86 pp 30-32

[Article by Liu Changheng: "Party Spirit of Literature and Freedom of Writing"]

[Text] Because of the influence of Confucius, China was regarded as a feudal and conservative country overemphasizing the "doctrine of the mean." "Being uninclined to either side is called equilibrium; admitting no change is called harmony"; and equilibrium and harmony are regarded as the "right course of the world" as well as the "theorem of the world." But in today's realities, some have failed to distinguish the nature of things and the difference between truth and falseness, while endorsing things metaphysical. They esteem such sayings as "one must exceed one's mark while engaged in reform, otherwise one will fail in reform." Thus, they easily go to extremes in their words and actions...for years, it has been the same in dealing with the relation between the party spirit of literature and the freedom of writing. If such a situation is not changed, it will cause harm to the progress of literature and art.

For a long time, whenever the principle of the party spirit of literature was mentioned, some people would pull a long face like a conditioned reflex. They would interfere roughly and arbitrarily limit the subject matter, the ideological content, and even the artistic forms and styles in literary and art creation, treating that literature and art was something "inferior," pouring exhortations into people's ears and issuing orders, as if that was the only way to express the party spirit of literature and art. Such understanding and existing conditions are doubtlessly a misunderstanding of the party spirit of literature, which should naturally be corrected. At present, the issue of "freedom in writing" is proposed for literature and art. Again some people have regarded "freedom" literally as "doing whatever one wishes." They feel that since the slogan "freedom in writing" has been proposed, they can now write without any misgivings and have their own way. In their opinion, some markedly unhealthy books and journals should also be published arbitrarily, and fill the bookstores and bookstands; some of those unhealthy plays should be performed on stage.

If some of those works or certain literary phenomena are criticized or restricted, and even when it is pointed out that "it is necessary to pay attention to the social effects of literature and art works," there is promptly a chorus of reproach, saying that this is interference with and violation of the "freedom of writing." ...Such a concept setting the principle of the party spirit of literature against the "freedom of writing" does not conform to the Marxist view, and, of course, cannot be favorable to the healthy growth of socialist literature and art undertakings. Therefore, it is necessary to conduct a serious investigation and give a scientific explanation to the relationship between the party spirit of literature and the freedom of writing.

It is known that the party spirit of literature, as a theoretical question in literature and art, was first proposed by Lenin, the teacher of the proletarian revolution in the programmatic document "Party Organizations and Party Publications" published in 1905. "What is the principle for party publications?" Lenin actually answered that question with the following: "The undertaking of writing should become part of The entire cause of the proletariat, the 'gears and screws' of the tremendous machinery of social democracy operated by the whole conscious vanguards of the entity of the working class." Regarding this concept as the focus of the party spirit in literature is entirely correct. In other words, the party's literature and propaganda work, including literature undertakings should, with no exception, "become a component of the unified party work of the social democrats in an organized and planned way." But the important question at present is how our literature and art undertakings should be conducted in order that they may become "a component of party work."

It is a narrow viewpoint to look at the principle of the party's spirit of literature only from the angle of party's leadership and supervision of literature and art undertakings. True, it is necessary to exercise leadership over literature and art undertakings based on certain organizational principles. But, if this is considered as the "central idea and main contents" of the principle of party spirit, it would be too simple and too easy to realize the principle of party spirit of publications or literature in socialist countries -- art and literature undertakings are so long organizationally subject to the party, this would be giving expression to the principle of the party spirit, otherwise, organizational measures would be adopted. Such enthusiasm for adopting organizational measures and organizational means with regard to writing is by no means the main content of the principle of the party spirit of literature.

When the party supervises and leads the entire undertaking of writing, certainly it will not let erroneous or even reactionary ideas go unchecked. Particularly no obvious anti-party views should be allowed within the party, and organizational measures should be adopted when needed. However, regarding writing, the party will not rest satisfied with playing the role of a "firing squad." If corrections are made only when problems pop up, this can by no means be counted as positive method or chief measure for supervising and leading the undertaking of writing.

In fact, the principle of party spirit proposed by Lenin did not aim at too rigid a control over writing, including literature and art; on the contrary, the proposal of this principle was precisely to express that the proletariat wanted to "end" the "hypocritical pretense" and the ugly phenomena that made all lively and new things suffocate in Russia." The method and means of leading literature and art which Lenin stressed and prized was more precisely to arm writers with correct ideology and the Marxist world outlook. Whether it was the hard times of the revolution or those days when victory was won, Lenin always put the solution to ideological problems and problems of world outlook first within the revolutionary context. That had always been his idea.

In the article "Reserved Heroes," Lenin stressed: "The present task, even under the most difficult conditions, is to excavate ore and to extract iron from it in order to cast steel superstructure suitable to this world outlook as well as a Marxist world outlook. That was written in 1910 when Russia was under the reactionary reign of Stolypin. After the victory of the October Revolution, Lenin pointed out in a 1920 draft resolution written for the Congress of Proletarian Cultural Association: "All the experiences in modern history, the revolutionary struggles of the proletariat in various countries throughout the world since the publication of the 'Communist Manifesto' 50 years ago, have indisputably proven that only the Marxist world outlook will correctly give expression to the interests, viewpoints, and culture of the revolutionary proletariat." Neglecting the "instillation" and education in ideology and world outlook would only give rise to "unionism" even if it was the struggle of the proletariat. Lenin always emphasized the importance of solving ideological problems as well as problems of world outlook. How can we think of him neglecting the problems of writers' world outlook when he was discussing publications, including the establishment and realization of the principle of a party spirit of literature and art! So long as we seriously study the full text of "Party Organization and Party Publications," it will not be difficult for us to see how Lenin paid attention to problems concerning ideology and world outlook. It is a pity that many people adhere to rigidly to organizational control and obedience in their understanding of party spirit. Therefore, they have too little concern for enlightenment and education concerning problems of ideology and world outlook. In fact, they lack an all-round understanding of Lenin's original text.

In fact, in order to make sure that writing truly becomes a component of the party's cause, attention must be paid to more than organizational means and measures to bascially realize the principle of party spirit. Only by starting with the solution of problems of ideology and world outlook will it be possible to genuinely give expression to the principle of party spirit in literature.

How can we ensure the healthy development of the freedom of writing? Comrade Hu Qili pointed out in his congratulatory speech on behalf of the CPC Secretariat at the fourth congress of the Chinese Writers' Association: On the one hand, "the party and state must provide necessary conditions, and initiate necessary environment and atmosphere." This refers to society guaranteeing writers' freedom to write and the formation of a bright and healthy political situation to encourage and protect creativity. On the other hand, writers are required to "genuinely enter into conditions for writing freely." To achieve this, the writers must make their thinking and feelings and all their activities in writing harmonious with the free environment provided by the party and the state. The key to the former lies in practicing political democracy and strengthening the socialist legal system.

By no means should we allow a repeat of "leftist" practice, such as "beating others with sticks" and making things hard for others by abusing one's power. The key to the latter lies in the requirement for the writer to have a profound grasp of Marxism, to strengthen his own ideological accomplishments, and to make his thinking and feelings, as well as his activities, in writing throb with the pulse of the times while keeping abreast of the strides of history. In this way he can subjectively exert himself to accomplish the spiritual leap from the realm of inevitability to the realm of freedom. In the final analysis, writers are after all required to establish a Marxist world outlook. Otherwise, it would be impossible for them "to have a good grasp of the interests of the state and the people, the law governing social development and changes, and their own social responsibilities, and to fight against decadent bourgeois ideas and the pernicious influences of feudalism." Marsixm is a thorough materialist theory and doctrine; it is a telescope as well as a microscope. Only when social life is observed and analyzed with Marxism as the guide, and only by adopting Marxist stands, concepts, and methods, will it be possible for us to correctly understand the objective world and give expression to the inner voice of the laboring people.

Based on this, efficient propaganda work may be conducted and truthful and heartbreaking words of literature may be produced. In short, only when writers have genuinely acquired the ideology of the proletariat and established a Marxist world outlook will it be possible to give expression to the principle of party spirit in publications, including literature, and to enable the writers to realize the leap from the realm of inevitablity to the realm of freedom.

Therefore, we can see both the party spirit of literature and the freedom of writing are founded on the same basis of Marxist world outlook. By no means is the relationship between the party spirit of literature and the freedom of writing antagonistic; it is harmonious. Therefore, Lenin repeatedly stressed in this sense that the party's writing is genuinely "free writing." Based on the spirit of Lenin's programmatic document "Party Organization and Party Publications," the CPC Secretariat pointed out in its congratulatory speech: "Lenin said socialist literature is genuinely free literature. Our party, government, and literature and art organizations, as well as the whole society, should resolutely ensure such freedom for writers." Here, the "freedom" referred to is also founded on a Marxist world outlook.

Abstract and absolute "freedom" never existed in the world. Engels said in "Anti-Duhring " that freedom is precisely the understanding of the inevitable. Of course, the accomplishment of such ability in understanding relies on the world outlook of Marxism and scientific socialism. Vice versa, if subjective idealism and metaphysics are adopted for observing problems or in writing rather than ideology and the concepts of scientific socialism, one will run into snags, be foiled at every turn, and never feel genuine freedom ideologically. Therefore, it is also necessary for us to have an in-depth understanding of the "freedom of writing" proposed in Lenin's works and the CPC Secretariat's congratulatory speech. We should look at this from the height of the world outlook of scientific socialism.

It was precisely in the programmatic document on discussing the principle of the party spirit in publications, including literature, but not in any other works that Lenin proposed the slogan, "we should initiate free press." That was not by any means accidental; it was because he had profoundly grasped the inseparable inherent link between the party spirit of literature and the freedom of writing. Therefore, he made the following explanation of "the so-called free press" -- which "refers to the press rid of police oppression as well as capital, rid of the pursuit of personal fame and position as well as the individualism of bourgeois anarchism." It is easy to understand that it is necessary to eliminate "oppression" if we want "freedom," but why is it necessary to "eliminate" "capital," "the pursuit of personal fame and position," and "the individualism of bourgeois anarchism"? Here, it precisely involves the ideology and world outlook of the writers. If these heavy spiritual burdens are not eliminated, while "becoming a captive of bourgeois bargaining in writing," and only "looking forward to money", it will be impossible to "initiate the free press."

In short, only when the writer has established a Marxist world outlook will it be possible for him to go along with the progress of history, so that the work in which he is engaged may keep abreast or history and be closely connected with the people. Only in this way may he be very proud of himself for being able to devote all his efforts to the emancipation and happiness of the people. To achieve this would be like "the same water coming from the same spring, and the same blood pouring from the same vein." He will never find himself deprived of freedom if his writing becomes a part of the party's cause. He will study history, observe society, and understand the inevitability of things in their development. Guided with the ideology and concepts of scientific socialism, he will acquire genuine freedom.

Therefore we can see that the realization of the principle of the party spirit of literature and the freedom of writing can never be separated from solving the writers' world outlook.

Only when one has established a Marxist world outlook and an understanding of various social phenomena from the viewpoints of scientific socialism, will it be possible for one to stand tall and see far, just as Gorki felt with his personal experiences: "Scientific socialism has created for us the highest spiritual peak, from which we can clearly see the past, and it has pointed out the only shortcut leading to the future, the road from the realm of inevitability to the realm of freedom." A writer who has a Marxist world outlook is like one who has put on the wings of wisdom, flying high in the sky and taking a bird's-eye view of the earth. He must have a great feeling like "a fish swimming in the vast sea, and a bird flying freely in the sky," and have experienced deeply that this is genuine freedom of writing. It is precisely in this sense that Lenin stressed: "Indisputably, in this undertaking, it is absolutely necessary to ensure a vast expanse for the creativity and personal interest of the individual, the vast expanse of thought, fantasy, form, and contents."

The practice of equating the principle of the party spirit of literature with the oversimplified, rough, and arbitrary interference in literature and art by sheer organizational means and administrative orders or regarding "the freedom of writing" as a synonym to doing whatever one likes both exhibit a narrow understanding and are erroneous in theory. In practice, it will certainly not help the prosperity and development of the socialist undertaking of literature and art. It is time to basically change such ways of thinking and viewing things metaphysically.

JOURNAL REVIEWS ENTERPRISE LEADERSHIP SYSTEMS

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[Article by Wu Hanzhou and Yang Jian: "The System of Factory Directors of Enterprises Owned by the Whole People, Concurrently Serving as Party Secretaries" -- edited by Xu Xiaojiu -- capitalized passages published in boldface]

[Text] At present, attention has been focused on the question as to how an enterprise owned by the whole people is to implement the factory director responsibility system, and what form of factory director responsibility system the enterprise is to implement. From the point of view of theory and practice, there are now two kinds of opinions and practices. The first is the system whereby a factory director is not concurrently serving as party secretary (the non-doubling system). In other words, the posts of factory director and party secretary are separately assigned to two persons. The factory director is in charge of the production and operational activities of the enterprise, while the party secretary is in charge of party building and ideological and political work among staff and workers. In the other system one person doubles as factory director and party secretary (the doubling system). The doubling system is characterized by the factory director working concurrently as party secretary and shouldering all-round responsibility for the enterprise's production and operational activities, and also for party building and ideological and political work among the enterprise's staff and workers. However, the focus of his work is on the production and operational command system. A full-time deputy party secretary is assigned to specialize in political work. We believe that in light of the requirements of reform in the enterprise leadership system and the reality of our enterprises at present, the doubling system is more scientific and perfect than the non-doubling system, more untenable in theory but more feasible in practice. Compared with the non-doubling system, the doubling system has the following advantages:

1. The Doubling System Conforms Better to the Principles of Enterprise Management

The leadership system of an enterprise is an important component of the enterprise management system and must follow ent prise management principles.

The doubling system conforms to enterprise management principles in the following aspects:

1) THE DOUBLING SYSTEM REFLECTS THE REQUIREMENTS OF THE DUPLICATED NATURE OF ENTERPRISE MANAGEMENT.

According to Marx's view, enterprise management itself has its natural and social characteristics; natural characteristics are determined by objective laws of socialized mass production, and social characteristics are determined by relations between the production and social systems. The factory director responsibility system which we implement should reflect the objective demands of both socialized mass production and socialist relations of production. This requires that a factory director perform not only the functions of leading production and operational activities but also the functions of leading ideological and political work. Moreover, only by effectively combining these two functions can there be effective management. If the non-doubling system is implemented to give the power of production management to the factory director and allow the party secretary to continue to hold the major power over political work, this will not only run against the principle of the duplicated nature of enterprise management, but will also give rise to problems difficult to solve. There is much work to do in an enterprise, such as the selection and appointment of cadres, the formulation of regulations and rules, the training and education of staff and workers, and the implementation of democratic management. These aspects of work involve not only reasonable organization of the work force, but also the task of maintaining and perfecting the relations of production. It is difficult to clarify which of these work aspects will be the factory director's responsibility and which the party secretary will undertake. Therefore, the implementation of the doubling system meets not only the requirements of the duplicated nature of enterprise management, but also the objective requirements of normal management work.

2) THE DOUBLING SYSTEM CONFORMS TO THE PRINCIPLE OF SYSTEMS.

From the point of view of people alone, a socialist enterprise is an integrated system formed from the subsystems party organizations, management, and trade unions. All these subsystems overlap and thus form a complicated matrix of systems. Objectively, this requires that each subsystem has one, and only one, leader, and that the system formed by many subsystems also has one, and only one, leader. This leader is the top leader of the system, in charge of directing and controlling the whole system, coordinating the vertically interacting and complicated system, maintaining the integrity of the system, and effectively giving play to the functions of the entire system. There are three subsystems in our enterprises: the production, administrative and command system; the system of party organization; and the system of trade union organization. If there is not a leader to exercise centralized leadership over these three systems and coordinate relations between them, certainly these subsystems will each go their own way, conflict with one another, and give rise to disharmony. This will affect the integrity of the system and make it impossible to effectively give play to the functions of the entire system of the enterprise. Obviously, only by implementing of doubling system can a factory director really become the effective leader of the enterprise system and best bring its functions into play.

3) THE DOUBLING SYSTEM CONFORMS TO THE PRINCIPLE OF INFORMATION FEEDBACK AND INFORMATION CONTROL.

In a modern society, as production, science, and technology develop, the volume of information rises sharply. There are many information communication channels and large volumes of information both inside and outside an enterprise. In order to promptly and correctly disseminate information, reduction of information transmission links to the minimum is required; information channels must be as uniform as possible. If a non-doubling system is implemented, there is one party leader and one management leader in an enterprise.

External information such as major policies, mandatory planned targets, and the documents that need to be transmitted to certain levels of cadres must be sent to two people. Internal information such as the production situation, the work attitude of staff and workers, and the conflicts between various sections must also be reported to two people. The information must be grasped by both the factory director and the party secretary, otherwise, it will be impossible for them to do their work. When they have received the information, they have to consult each other before they can respond to the information. As a result, the enterprise's response to information is delayed and the work volume of the upper and lower levels of organizations inside and outside the enterprise will thus be increased. When the factory director and party secretary hold different views, it is difficult for the enterprise to respond to the information or to raise its work efficiency. The doubling system not only reduces information links and channels, but also enables the factory director to make decisions in light of the information in his hands and thus meet the demands of modern production.

4) THE DOUBLING SYSTEM CONFORMS TO THE ORGANIZATIONAL PRINCIPLE OF CENTRALIZED COMMAND

Centralized command is a basic organizational principle. All the people in a certain post are responsible to a certain person at the upper level, and each person at the upper level only manages those directly under him. He should not bypass the intermediate levels in exerting his command, direct those at the same level as himself, or exert mixed command. As under the non-doubling system, the relationship between the factory director and the party secretary is not one between a leader and his subordinate, but is a relationship between two people at the same level. Neither of them holds responsibility for the other nor directs the other. As a result, in fact, there are two heads in one enterprise. This is an abnormal situation. It is apt to cause contradictions between the factory director and party secretary and even tension in their relationship, thus hindering work in the enterprise. Therefore, under a non-doubling system, whether the factory director responsibility system can be satisfactorily implemented, whether a production command and administration and management system with the factory director as its head can be established, and whether the system can play a powerful role after it is established is determined to a great extent by the relationship between the factory director and party secretary, and by whether the party secretary can take the initiative in giving away his power to the factory director. Therefore, many factory directors (managers) have demanded that there should be guarantees in our system to ensure the implementation of the factory director responsibility system. The implementation of the doubling system can provide a guarantee as a system for the implementation of the factory director responsibility system.

2. The Doubling System Is Conducive to Strengthening Party Building and Carrying Out Ideological and Political Work

Party secretaries in quite a few enterprises find it hard to do ideological and political work in combination with economic work. They have no way of solving the problem of separation between political and economic work. In their work, quite a few party secretaries have found that if they do not combine economic means with administrative means, it is difficult for their ideological and political work to achieve the expected results. However, the factory directors in many enterprises also find that if they do not do ideological and political work and if they rely only on bonus incentive and administrative means, it is very difficult for them to satisfactorily direct production. This proves that the practice of the factory director and party secretary each being assigned separate responsibility is not conducive to production nor to the satisfactory conduct of the work of party building and ideological and political work. Only by combining ideological and political work with economic and administrative means can our enterprises score satisfactory achievements in all spheres. The doubling system enables the factory director to perform both administrative and party leadership functions.

This is conducive to strengthening the all-round leadership of the party as well as to carrying out ideological and political work.

As production, science, and technology develop, the proportion of mental labor in material production grows. However, it is difficult to apply quantitative means to supervise mental labor. This requires that we pay attention to giving play to staff and worker initiative; attach even greater importance to human factors in our management and switch from management centered around "materials" to management centered around "people." In particular, ours are socialist enterprises, which should guarantee the staff and workers' positions as masters and which should carry out democratic management. In order to meet these requirements, a factory director should not only be an expert in production management, but also in doing ideological work among "people." The doubling system is precisely suited to the requirements of the present situation and the development of our enterprise management. As the factor director is concurrently the party secretary, objectively he is compelled to learn the skill of grasping the construction of both material and spiritual civilization. Grasping the "construction of the two civilizations" is an important characteristic and task for our socialist enterprises.

Some comrades worry that when the doubling system is implemented, the factory director will regard the key as the grasping of production command and administration and management, and focus his energies on activities of production and operation. They wonder whether this will weaken the party's leadership and ideological and political work. This is an unjustified worry, first because a full-time deputy party secretary is appointed to perform the function of helping the factory director grasp party building and ideological and political work. This provides an organizational guarantee that political work will not be weakened. Second, because the factory director doubles as the party secretary, he shoulders major responsibility for the quality of the work of party building and ideological and political work. Therefore, he must vigorously support the deputy secretary in doing his work. Third and most important, the factory director should implement the party's line, principles and policies. This itself is a major task in strengthening party leadership. The quality of an enterprise's political work has a direct bearing on its production efficiency. When the factory director doubles as the party secretary, he can on the one hand use his powers of office as the factory director to comprehensively apply administrative, economic, and educational means and thus help carry out ideological and political work. On the other hand, he can use the advantages of his familiarity with staff and worker work attitudes, work achievements and ideological, educational and technical quality in the process of production and operation. This provides convenient conditions for the organizational and ideological construction of the party and thus encourages effective and satisfactory work for the party. On the contrary, the non-doubling system may cause the factory director to overrely on other people and may make him think that ideological and political work is the party secretary's job and not his business. He may even refuse to conscientiously support the political activities of the party organization, with the excuse of being busy with production management. The party secretary, on the other hand, is not provided with the necessary administrative means. Therefore, he has to consult with the factory director and obtain the director's consent and support whenever he wants to implement a major activity. This is detrimental, not only to strengthening and improving the party's leadership, but also to the enterprise's ideological and political work.

3. The Doubling System is Conducive to Division of Responsibility and Power

There is a difficult problem to solve in the implementation of the non-doubling system. It is the problem of how to define the responsibility and power of the party secretary. In some articles and documents, the power and responsibility of the factory director is very clearly defined, but the responsibility and power of the party secretary is either not mentioned or is very unclear.

Some articles have indeed mentioned the responsibility of the party committee, but they only talk about requirements in general and fail to specifically define the actual power of the party committee. The problem here is that the party committee has no power but has to shoulder some responsibility. This runs counter to the principle of matching power with responsibility and is, therefore, unreasonable. Only when we have clearly defined the scope of the party secretary's power and responsibility can the party committee actually shoulder its responsibility. However, if the party secretary's power is stipulated, this will inevitably cause him to take some power away from the factory director. This will negate the factory director's position as the representative of the legal person of the enterprise, the position as fully responsible person. From this we can see that when the non-doubling system is implemented, it is impossible to clearly divide the responsibility and power between the factory director and party secretary, or to straighten out the relations between responsibility, power, and legality. However, the doubling system is precisely able to solve this difficult problem. Therefore, the doubling system is a leadership system that is both reasonable and legal.

Judging from historical experience, when we implemented the factory director responsibility system under the leadership of the party committee, we also repeatedly stressed the factory director's role in exerting administrative command, and the necessity of granting the factory director the power to lead the enterprise's production and operational activities. But why was it so difficult to grant him that power? Why was it so difficult to change the practice whereby the party committee took on everything? One of the major causes was that the factory director had some misgivings in exercising his power of office. These misgivings were particularly great when his management work involved members of the party committee. As a result, he discussed problems that he ought to have decided on his own, with the party secretary, and then had the party committee discuss them. This hindered him in performing his functions. Only by implementing the doubling system can we avoid these misgivings in our system.

4. It Is Easy To Popularize and Implement the Doubling System

For a long time, the "system of party secretary assuming all-round responsibility" was in fact implemented in our enterprises. The party organization has played a great role in enterprise management and had a certain degree of prestige among staff and workers. In addition, as the party held a lofty position in the hearts of the masses of staff and workers, party cadres had much higher prestige than non-party cadres (such as administrative cadres). This love for the party should by no means be harmed by our work. On the contrary, we should develop our work in line with this love. The factory director who doubles as party secretary in the doubling system obviously enjoys a higher prestige than a factory director who does not. Therefore, the doubling system is more acceptable for staff and workers. It enables the factory director to have prestige indispensable to his exercise of unified leadership and direction of the enterprise, thus ensuring the smooth implementation of the factory director responsibility system.

On the other hand, there is the problem of understanding. For a long time, we have made propaganda of the "centralized leadership of the party committee," "party secretary being the head," and "the party secretary being the number one leader." This has caused staff and workers to simply regard obeying the party director's directions as obeying party directions. Now, they are suddenly required to obey the direction and command of the factory director. It is difficult for them to adapt themselves to the change. After the factory director has assigned them tasks, many comrades will go and ask the party secretary. They report to the party secretary what they should report to the factory director and go to him with problems that must be solved by the factory director. This embarrases the party secretary and makes it impossible for the factory director to vigorously exercise his command. In some enterprises where experiments are being made to implement the factory director responsibility system, people not dare even talk about the factory director responsibility system in the presence of the party secretary.

It takes time to solve this misunderstanding. It takes time not only for the staff and workers to heighten their understanding, but also for the party secretary to adapt himself to the change; adopt a correct attitude toward his organizational position; chart a new path for his party building work and his ideological and political work; consciously and enthusiastically delegate authority; and conscientiously support the factory director's work.

If we neglect this problem, disregard the objective situation, and implement the non-doubling system in a uniform manner, it will be difficult for us to attain our goal in implementing the factory director responsibility system. In this sphere, both China and the Soviet Union have gained experience and learned lessons. In 1918, in his article entitled "Current Tasks for the Soviet State Power," Lenin advanced the idea of implementing the system of "one director assuming all-round responsibility," but it was not implemented in an overall manner until 1934. It took 16 years filled with twists and turns to do that. Beginning in 1953, our country implemented the system of "one director assuming all-round responsibility" in some enterprises. An investigation in 1955 showed that the number of enterprises in which the system was properly implemented was very small. One of the important causes for this was the problem related to thought and understanding. At that time, many factory directors feared violating the principle of the collective leadership of the party and feared that they would be accused of denying the party's leadership. Therefore, they did not dare to handle problems bravely and wanted party committees to discuss everything. However, the party committees also dared not violate the principle of the system and dare not exercise their leadership bravely. As a result, both parties had misgivings, and their work was impeded. The implementation of the system failed to achieve the expected results. Therefore, when we implement the factory responsibility system, we should refer to these experiences and lessons and should not only persist in carrying out the reform bravely, but also pay attention to proceeding from reality. The doubling system reflects these two requirements precisely and is therefore easily acceptable by people; thus it can be smoothly implemented.

To review, the doubling system definitely has advantages that the non-doubling system does not. Our management practice has also proven that the doubling system is indeed feasible. For example, the doubling system was implemented and is being implemented in Baiyunshan medicine factory in Guangzhou, Liaoyang heavy machinery plant in Liaoning, and the China no 2 automobile plant and has proven to have high leadership efficiency, vigorous command, and relatively satisfactory enterprise economic results. Precisely because of this, an increasingly large number of factory directors (managers) are calling for the implementation of the doubling system and thus thoroughly implement a factory director responsibility system in the proper sense. This requires that some comrades overcome their long-standing "leftist" views. These comrades do not have full confidence in factory directors and fear that when the directors have great power, they will abuse their power and act arbitrarily. They think that the directors only know how to direct production and operation and that political work in the enterprises should be assigned to party secretaries. These "leftist" views are detrimental to the implementation of the factory director responsibility system.

5. Several Problems Needing To Be Probed

1) IS THE IMPLEMENTATION OF THE DOUBLING SYSTEM IN CONFLICT WITH THE DIVISION OF LABOR BETWEEN THE PARTY AND MANAGEMENT?

We think it is not. The division of labor between party and management is mainly aimed at solving the problem of substituting the functions of the party for those of the management in the field of macroeconomy and the superstructure. It is questionable whether it is correct to separate party functions from management functions in an enterprise as an economic cell.

We hold that even if there is division of labor between party and management in an enterprise, the extent of the division of labor should be different. As far as an enterprise is concerned, we want primarily to put an end to the previous practice of the party committee taking on everything and no one being responsible for the actual work. The major characteristics of the doubling system remain those of the factory director responsibility system. The party committee is not allowed to interfere in production and administration work. Here, the factory director, who doubles as the party secretary, does not work as the party secretary but as the factory director. Therefore, there will not be the problem of substituting the functions of the party for those of management. Some comrades understand the division between the party and the management as party cadres not concurrently serving as administrative cadres. This does not conform to national conditions in our country and is in fact hard to achieve. The doubling system, however, not only embodies the principle of division of labor between the party and government, but also pays attention to cooperation between the party and the management. Of course, in order to enable our party committee to have greater energy in satisfactorily grasping party building and ideological and political work among the staff and workers, we think that the deputy party secretary should not take any concurrent post; we should do our best to ensure that other members of the party committee also do not take concurrent administrative posts.

2) PROBLEMS RELATED TO THE QUALITY OF CANDIDATES FOR FACTORY DIRECTORS

In implementing the doubling system, the quality requirements for factory directors are higher. Factory directors should not only know business and management, but should also be able to do ideological and political work. Some comrades worry that it is hard to get candidates for such factory directors. However, if the non-doubling system is implemented, we should select a party secretary able to do ideological and political work and able to take the initiative in giving away power and coordinating with the factory director in doing the work well; and a factory director capable of being on good terms with the party secretary and able to effectively direct the activities of production and operation. This is not easy either. Here, we should not fail to see that through years of enterprise consolidation, profound changes have taken place in the leading groups of our enterprises and a larger number of factory directors (managers) have continued to emerge with sharp political sense and the ability to effectively organize and direct the activities of production and operation in their enterprises. These people will be entirely able to shoulder the heavy responsibilities of factory directors who double as party secretaries.

3) WHAT IF THE FACTORY DIRECTOR IS NOT A PARTY MEMBER?

Obviously, the doubling system cannot be implemented in an enterprise where the factory director is not a party member, nor can it be implemented in Chinese and foreign joint capital enterprise. In these enterprises, we should implement other forms of factory director responsibility. This is a limitation of the doubling system.

The above analysis shows that there is, to a certain extent, limitation in any kind of leadership system, The problem is which leadership system has relatively fewer limitations and relatively greater advantages. From the above discussion, we see that the doubling system has more advantages than other leadership systems,

We uphold the implementation of the doubling system, but we do not exclude the possibility of implementing other forms of the factory direct responsibility system. The enterprise leadership system is determined by diverse factors, such as scale of the enterprise, competence of the management, economic results, ownership of the means of production, and external economic management system of the enterprise.

We should implement diverse forms of the factory director responsibility system and should not seek uniformity. For example, in some small enterprises, we can implement the factory responsibility system without a full-time party secretary (including the deputy party secretary). In some enterprises where experiments of the non-doubling system are being carried out with relatively good economic results, we can continue to implement the non-doubling system. However, in most of our enterprises, it is entirely feasible to implement the doubling system.

LIAOWANG VIEWS PRODUCTION OF CIVILIAN AIRPLANES

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[Article by Zhang Chunting: "He Wenzhi, Vice Minister of Aviation Industry, on China Starting Production of Planes for Civilian Use"]

[Text] At the beginning of December 1985, something occurred to which people perhaps failed to pay enough attention: Party and state leaders Li Peng, Hu Qili, Yao Yilin, and others took a flight on a China-made civilian airplane around the airport at the capital and then held an on-the-spot office meeting of the State Council on civilian aviation work. On the surface, this seemed a common thing, but in fact it marked a turning point in China's aviation industry. In their speeches at the meeting, the three leaders called on the ministries and commissions concerned to unite as one, strive with one heart and one mind, start from actual domestic needs, introduce advanced technology from abroad, and gradually establish China's own civilian aviation industry and produce China's civilian airplanes at home.

For China's aviation industry as a whole, the establishment of this principle marks the transition from a uniform composition of military products to a mixed composition of military and civilian products. On the other hand, for civilian products of China's aviation industry it marked the beginning of a tremendous development of production of civilian airplanes in China and the gradual realization of the policy of domestically producing all airplanes that China needs.

When He Wenzhi, vice minister of aviation industry, who had just returned from a visit to the United States, read the report about the above information, he became very excited and thought that he shouldered heavy responsibility.

From Repairing to Manufacturing Airplanes

Reviewing the history of the development of China's aviation industry, He Wenzhi, 55, said that China's airplane manufacturing industry started by repairing airplanes. That was in the period of the war to resist U.S. aggression and aid Korea when the old generation of the builders of China's aviation industry gradually expanded the manufacture of airplane parts and developed the manufacture of whole planes while fulfilling airplane maintenance tasks for the war. In a short period of 3 years, the first China-made trainer took off. Five years later, China successfully developed its first jet fighter and supersonic fighter. Such a great pace of development was rare in the history of the development of aviation in the world.

Since He Wenzhi graduated from the Aviation Institute of Qinghua University in the 1950's, he has always taken part in designing and manufacturing airplanes. He was first chief of the technology section of the quality control department, then the director of the department, and later head of the general inspection group and of the new airplane trial flight group.

He stressed that the modern airplane industry is a knowledge- and technology-intensive industry. As China's aviation industry was established and grew, relevant scientific and technological research also developed. Over the past 30 years, China's aviation industry sector has successfively set up its aviation science and technology research institutes and a large number of specialized design and research institutes to carry out diverse research work. It has also vigorously introduced advanced technology from abroad. As a result, there have been increasingly more new scientific research achievements and new planes developed by us. We have produced hundreds and thousands of military airplanes of various kinds, including fighers, bombers, attack planes, reconnaissance planes, trainers, multi-purpose planes, and pilotless planes. This has created certain conditions for Chinese troops to renew their equipment and increase their technological reserves. In this period, although China's aviation industry has gone through quite a few twists and turns, including those caused by the interference of the erroneous lines at home and the economic and technological blockade abroad, the production of Chinese military planes developed in spite of this, and we have mainly realized the goal of producing airplanes on our own.

Why did the production of Chinese military airplanes develop so quickly? He Wenzhi holds that our relatively great scientific and technological strength is an important reason, but so is scientific management. He says that China's aviation industry has paid relatively great attention to scientific management, which focuses on the implementation of systems engineering management in the entire process of the research, design, and manufacture of various types of airplanes. In 1981, the Ministry of Aviation Industry established its systems engineering office, and He Wenzhi doubled as director of the office.

In the process of developing a new type of high-altitude and high-speed airplane, He Wenzhi concurrently worked as the general director of this systems engineering project. He led all the staff and workers in applying the program evaluation and review technique (PERT). In April 1981, they began to carry out a "three-point argumentation" concerning technology, economics, and speed of progress, and decided to spend 3 years and 3 months to develop the plane. Throughout the process of design and production, they strictly implemented the general designer technological responsibility system, the administrative director responsibility system, the contract economic responsibility system, and the quality inspection responsibility system, and thus carried out "four-point management," formed a centralized work network, and established an integrated scientific management system. In carrying out any project and process, all the people in all subsystems and departments had to ensure that the entire project was carried out strictly according to the schedule without any delay. As a result, they fulfilled the task of developing this new plane 18 days ahead of schedule.

Chinese Leaders' Policy Decision: Develop Chinese-made Civilian Planes

Science, technology, and scientific management are very important in developing the aviation industry, but the making of strategic policy decisions is even more important. He Wenzhi holds that one of the important reasons why China's civilian airplane manufacturing industry was backward for a long time is the guiding thought of "being always ready to fight wars." He said that during the over 30 years since the founding of the People's Republic, military airplanes have accounted for over 95 percent of the total output of airplanes in the whole country, while civilian airplanes accounted for less than 5 percent. From the point of the state management system, the development of civilian planes has never been taken into the country's communications and transport development plans.

During the past 20 to 30 years, China has produced a small number of civilian airplanes, including the small mutli-purpose "Yun 5" and "Yun 10" planes, which have played a certain role in the construction of our national economy, but in view of the major trend of the development of the whole country, this has fallen far short of the demand.

Over the past few years, as international and domestic historical conditions have changed, so has China's strategic thought. In October 1981, Chairman Deng Xiaoping put forth the idea: "We should consider producing on our own the airplanes for our domestic airlines." Two months later, he again stressed: In the future, we should use China-made airplanes for our domestic airlines. Since then, conscientiously developing China-made planes for civilian use has been regarded as a principle and a state policy. Later, Premier Zhao Ziyang further put forth the idea that for a fairly long time, we should first refrain from developing large passenger planes, but should focus on developing specialized airplanes and airplanes for branch domestic airlines. Small airplanes should be made by China itself, and it is entirely possible for China to produce airplanes for its branch domestic airlines. By so doing, we will develop our aviation industry. In short, we should proceed from reality. General Secretary Hu Yaobang has also pointed out: We must vigorously grasp the work of researching, developing, producing, and using China-made aircraft, and strive to make a breakthrough in the 1980's.

The Emergence of a Satisfactory Trend in the Production of Civilian Planes

He Wenzhi said with joy that as long as there is a correct principle and as long as all the people at the upper and lower levels make joint efforts with one heart and one mind, we will be able to make relatively quick progress in all tasks.

Over the short period of 4 years or so, on the basis of the original foundation of our aviation industry, there has already been an unprecedented satisfactory trend in China's civilian airplane manufacturing industry. Our medium-size "Yun-8" transport planes are playing their role in our cargo freight. We have also successfully developed and put into operation the "Yun-8" sea patrol airplanes and "Yun-8" Black Hawk carriers. We have also successfully researched and developed China-made helicopters. In addition, we have developed ultralight airplanes such as Mifeng-2, Mifeng-3, Qingting-W5, and Qingting-W6 airplanes. They have been particularly well accepted among the peasant customers who have already become rich. We have already begun small batch production of "Yun-7" medium- and short-range branch-line transport airplanes. By the end of 1984, 16 of them were produced and delivered to scientific research and civil aviation units and to our troops. Some of them have already flown over 1,000 hours. Through appraisal, this type of airplane has been proved to meet or exceed all the design technological targets and to have satisfactory functions that can be adapted to various kinds of complicated geographical and weather conditions. Through the joint venture between the Xian Airplane Company and the Hong Kong Aircraft Engineering Company Limited, the navigational aid, telecommunications, weather radar, and other equipment of the "Yun-7" airplane have been improved. This has further improved this airplane's functions. From 20 November to 5 December 1985, the newly-improved "Yun-7-type 100" airplane flew from Luliang in Shaanxi to Beijing, then to Shanghai, then back to Beijing, and then to Xian, Lanzou, Jiuquan, and Urumqi. It flew for a total of 22 hours; the appraisal showed that the functions of the improved equipment were stable, the readings of the instruments were accurate, and the radar signals were clear and of satisfactory strength.

He Wenzhi himself is a helicopter specialist. For a time, he was director of Chinese Helicopter Design and Research Institute at Jingdezhen, Jiangxi. He appeared particularly happy when he talked about how Premier Zhao Ziyang showed concern for and supported the work of developing new China-made helicopters. He said that because of a lack of funds, the relevant departments for a time decided to put off the work of developing the new "Zhi-8" helicopter.

Premier Zhao personally took care of the matter, encouraged the Ministry of Aviation Industry, and told the ministry not to stop making progress, but to continue to grasp the work. Later, Premier Zhao went to the factory that developed and produced the plane to inspect and guide the work. On 1 December 1985, this new multi-purpose helicopter successfully made its first flight at Jingdezhen, Jiangxi.

Ensure Flight Safety With Their Own Lives

Over the past few years, serious flight accidents have continued to occur in many technologically advanced countries in the world. Therefore, people have some doubt about the flight safety of China-made planes. This is understandable. However, He Wenzhi holds that this worry is unjustified.

He said that "safety, comfort, and economy" are the common requirements raised by central leaders on China-made civilian airplanes, and they all put "safety" first. This is the minimum requirement, but is also a very exacting requirement. Of course, this conforms to the most important desire of the passengers. Without safety, all other requirements are meaningless. However, he can tell people that Chinese aviation workers always ensure flight safety with their lives. Then he explained his view with his personal experience.

In 1957, China succeeded in trial production of its first multi-purpose transport plane, the "Yun-5" plane. He Wenzhi was the head of the trial flight group for that plane and was in charge of the work to ensure its quality. Before the trial flight, a CAAC trial flight pilot was greaty worried. He said to He Wenzhi that it was no use to talk about the fine quality of the plane and that He had to take the trial flight together with the pilot. So He took the trial flight together with him. The result of the trial flight proved that the plane truly functioned well.

In He Wenzhi's office there are models of various types of airplanes. When he talked, he pointed to the model of the "Yun-5" plane and said: Even today, I can still say that this airplane is very safe! In front of the wings of this plane, there is a kind of folded wing. If the plane falls, the folded wings will open automatically and cause the airplane to glide. This will prevent freefall.

He Wenzhi then said that in August 1980, he was appointed vice minsiter of the aviation ministry, but before he went to Beijing to take the post, he went from Jiangxi directly to Shanghai and was assigned as head of the trial flight group for the "Yun-10" plane. For 1 month, he worked inspecting the plane together with Liu Zengmin, deputy chief of the flight bureau, and other specialists in many fields and engineers. Finally, it was he who signed the telegram to Beijing to say that perfect safety was ensured.

In 1982, a trial flight of single-engine takeoff and landing was to be carried out for the "Yun-7" airplane; in other words, a trial flight of the plane was carried out with one of its two engines idle. Of course, there would be some risk. This time, He Wenzhi was once more head of the trial flight group. After doing much preparatory work, he took the trial flight together with the engineers and the trial flight crew. The flight was successful the first time.

He Wenzhi said that, of course, there are diverse scientific grounds for us to have the courage to ensure the flight safety with our lives. The key issue is the quality of the planes. We must conduct overall quality control over our civilian planes to ensure their high quality, high reliability, and easy maintenance. After China-made airplanes are delivered to the customers, we organize highly trained service teams and send special technical service teams to customers to help them train crews, master pilot skills, ensure the supply of spare parts for maintenance, and guarantee flight safety.

Broad Prospects for the Development of the Civil Airplane Industry

As our national economy continues to develop and people's living standards continue to improve, the demand of various state and local departments and various sectors for airplanes for civilian use rises greatly and sharply and urgently need to be satisfied. Supply fails to meet the demand in China's aviation industry and the situation spurs us on. He Wenzhi said that during the Seventh 5-Year Plan period, the target for our aviation industry is to turn our aviation industry into an industry with coordinated development of military and civil products and satisfactory economic results, and to double the 1980 gross output value by 1990. In this period, we must regard the development of airplanes for civilian use as of the same importance as the development of military airplanes and create a new situation as soon as possible. In regard to helicopters, we should further nationalize the production of the medium-size "Zhi-9" helicopters which are now jointly produced by China and France and gradually begin mass production of them. In the future we should develop helicopters similar to the "Black Hawk" and "Super Puma," and small and ultralight helicopters. At the same time, by introducing technology from abroad and strengthening international cooperation, we will focus on developing and producing new branch-line passenger airplanes and specialized airplanes, further improve our "Yun-7" and "Yun-12" passenger airplanes, and cooperate with the U.S. McDonnell-Douglas Corporation in assembling large trunk airliners (MD-82). As for the airplanes for which designs have been finalized, we should quickly organize mass production, gradually put them into operation in our domestic airlines, and strive to deliver for use over 200 civilian airplanes of various kinds in 5 years. In the future, China's aviation industry will surely achieve stable, coordinated, and sustained development and make greater contributions to the development of our defense and national economic construction.

GU MU URGES SYSTEMATIC STUDY OF CONFUCIANISM

OW141020 Beijing XINHUA in English 0845 GMT 14 Feb 86

[Text] Beijing, February 14 (XINHUA) -- Chinese scholars should study Confucianism systematically and determine what elements of it remain worthwhile, a senior government official writes in an article to be published next month. "Confucianism had a great influence" on the culture and ideology of China's feudal society, elements of which survive today, said Gu Mu, a state councillor and honorary president of the Chinese Confucius Foundation. Gu called Confucius (551 B.C.-479 B.C.) "a great thinker, statesman and educator in China's history and a giant in the cultural history of the world."

Gu's article is the foreword of the first issue of CONFUCIAN STUDIES, an academic quarterly sponsored by the Chinese Confucius Foundation. The quarterly is edited by Xin Guanjie, a professor at the Chinese Academy of Social Sciences, and will be published by the Qi Lu Press in Shandong Province, where Confucius was born. Gu, himself a native of of Shandong, said the "quarterly will neither blindly praise Confucius and China's traditional culture nor take a nihilist attitude towards them. Instead, it will take them as objects of scientific, profound and systematic study."

As scholars evaluate Confucianism, he said, "there are bound to be controversies. But these can be satisfactorily resolved only through academic debate." He wrote that although the quarterly recommends Marxist methods of analysis, it does not rule out other methods, provided that they promote Confucian studies.

The quarterly will concentrate on articles about Confucius, Confucianism and China's traditional culuture. It aims at summarizing and carrying on the valuable traditions of China's ancient culture.

Overseas researchers of Confucianism are welcome to contribute to the quarterly, according to Gu. Articles by noted Confucian scholars both at home and abroad will be carried in the first issue of the quarterly, available March 25.

LI PENG, ZHAO WEICHEN AT NATIONAL PORTS MEETING

OW172343 Beijing XINHUA Domestic Service in Chinese 1424 GMT 17 Feb 86

[Text] Dalian, 17 Feb (XINHUA) -- The central tasks of port work for this year are to tighten macroeconomic control over foreign trade shipments, improve overall handling efficiency, and step up construction of ports, said Zhao Weichen, deputy head of the State Council Leading Group in Charge of Sea, Land, and Air Ports and vice minister in charge of the State Economic Commission, at a national meeting on port work, which opened in Dalian today. In a work report on behalf of the leading group, he said: Great achievements were made in improving sea, land, and air ports last year, with the best records in transporting foreign trade goods. The total transport volume of import and export commodities increased by 23.5 percent over 1984. At the same time, port inspection departments did tremendous work in serving the opening up policy and ensuring smooth transportation of goods; initial successes were also achieved in reforming the ocean shipping management system; and the state opened a number of ports according to plan.

Zhao Weichen said: In order to meet the needs of steady growth in the national economy this year, it is necessary to carry out further reform in port work and pay attention to work in the following fields. Tighten macroeconomic control over foreign trade shipments: It is necessary to coordinate the planning, placing, or accepting of orders, and transport of major export and import commodities, and impose fixed quotas on the shipment of a number of major export and import goods. It is also necessary to intensify supervision over transport plans. Monthly transport plans should be balanced first by the ministries of communications, railways, and economic relations and trade with foreign countries, and then uniformly transmitted to lower levels for implementation. It is necessary to adopt protective measures to fully utilize Chinese-built freighters in ocean shipping.

Improve overall handling efficiency: It is necessary to pay keen attention to the work of carrying out reforms and tapping potential, and gradually introduce a "contract system fixing wages on the basis of the cargo tonnage handled" to the ports. It is also necessary to increase the capacity of road transport and use diversified means of loading and unloading cargoes using lighters in order to mobilize all social forces to ensure smooth transport of goods. It is simultaneously necessary to do a good job in building ports, railways, and warehouses. Step up construction of ports: It is necessary to further strengthen leadership over port work, pay close attention to the building of spiritual civilization, maintain good order at ports, improve port supervisory organs, and clearly define the scope of their functions.

Li Peng, vice premier of the State Council, attended today. The meeting will close on 19 February. During the session, over 300 people from various quarters will discuss and map out the 1986 plan for foreign trade shipments, according to the foreign trade export and import plan formulated by the state.

STATE COUNCIL CIRCULAR ON URBAN CENTRAL HEATING

OW190458 Beijing XINHUA Domestic Service in Chinese 0925 GMT 18 Feb 86

[Text] Beijing, 18 Feb (XINHUA) -- Transmitting a report prepared by the Ministry of Urban and Rural Construction and Environmental Protection [MURCEP] and the State Planning Commission [SPC] on improving the management of central heating in urban housing, the State Council recently issued a circular to all regions and departments.

Central heating facilities are part of the infrastructure of modern cities. In restructuring the urban economic system, all localities must promote urban central heating by intensifying the organizational leadership and administration and constantly exploring new experiences.

The report transmitted by the State Council said: Central heating developed in the nation's cities after liberation. Following the 3d Plenary Session of the 11th CPC Central Committee, the work in this area had been further promoted, as the state has subsidized construction of a number of central heating projects with energy conservation funds. Not only has this conserved energy and improved the environment, it has also promoted industrial production and provided the masses with the needed service. On the whole, however, development of central heating in cities is still relatively slow in China. Most urbanites still keep warm with separate small boilers or stoves. This is mainly because of lack of clear-cut policies, precarious budgets, mismanagement in some heating supply companies, and irrational prices for heating. To keep up with urban modernization and improve the people's living standards, the MURCEP and the SPC think the following actions are necessary:

There should be clear-cut policies for developing central heating systems in cities. More heat resources should be developed in a way appropriate to local conditions, and advanced technology should be adopted so that the use of heat is economical. According to the heating needs for industry and daily living, electricity generation should be integrated with heat production, central heating boiler rooms should be constructed, and exhaust heat from industrial production and geothermal energy should be fully utilized. These projects should be carried out systematically according to plan under the guidance of general urban planning. Whenever technically and economically feasible all new housing, public facilities, and factories should have central heating systems instead of separate heat supply boiler rooms.

Improve the central heating management in cities. Heat supply facilities in cities should be placed under the administration of a department concerned under the MURCEP. A city in need of a great deal of heat for daily use may set up a heat supply company to take charge of the construction and adminstration of heat supply and central heating boiler rooms. All types of heat supply boiler rooms built by various units should be designed by planning departments, and examined and approved by departments in charge of environmental protection, management of heat supply, labor services, and coal supply. People's governments in various cities should strengthen their leadership over central heating supply and coordinate operations in all quarters. Facilities generating steam for industrial use may be managed by the enterprises themselves, by the power departments, or by the local authorities. In joining heat supply networks, thermal power plants administered by various departments should sign contracts with consumers, and both suppliers and consumers should include income and expenditure in their budgets.

Capital needed in building central heating systems in cities should be raised through various channels. To promote central heating in cities, construction of heat supply plants and networks should be carried out simultaneously in a coordinated manner. The capital for central heating systems in cities may be raised through these channels: 1) The local authorities themselves; 2) from the users; 3) allocating part of the urban preservation and construction taxes to the building of heat supply networks in cities; and 4) according to the situation, subsidizing construction of heat supply projects with state funds reserved for energy conservation.

Preferential and rational pricing policies should be adopted for construction of cities' central heating systems, which are public facilities having good social effects. Preferential policies are necessary because, as enterprises providing a needed service, heat suppliers in cities make very little profit.

Legislation for the building of central heating systems in cities should be stepped up, and management of those systems should be improved. To keep up with the development of central heating systems in cities, regulations governing the systems' standards, technical requirements, and management should be formulated at an early date. Heat suppliers should operate under a system of contracted responsibilities, carry out independent accounting, and hold themselves responsible for profit or loss. Business management must be improved to cut energy consumption, guard against leakage and other waste, and lower costs.

CIRCULAR CALLS FOR VIDEOTAPE, CASSETTE CONTROL

OW181339 Beijing XINHUA Domestic Service in Chinese 0809 GMT 18 Feb 86

[Excerpts] Beijing, 18 Feb (XINHUA) -- The Ministry of Radio, Cinema, and Television; the Ministry of Commerce; and the State Administration for Industry and Commerce recently issued a joint circular, calling for control over cassette and videotape markets. It also called for resolutely cracking down on and ending illegal recordings and cassette and videotape sales. To strengthen control over cassette and videotape markets, the circular made a clear stipulation: Cassettes and videotape circulation and sales should be conducted through publishing units approved by the state.

The circular pointed out: Before obtaining a business license from local administration for industry and commerce, units and individuals wanting to operate video rentals must seek prior approval from local radio and television departments. They are also required to register with the local public security department. The circular called on departments concerned in all localities to proceed with control work on videotape and cassette markets after the 1986 Spring Festival.

MEETING ON IMPORT, EXPORT INSPECTION IN JINAN

SK190333 Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Feb 86

[Text] The national conference of directors of import and export commodities inspection bureaus opened in the Nanjiao Guesthouse of Jinan on 18 February. Present at the conference were more than 100 representatives from 33 import and export commodities inspection bureaus throughout the country. Ma Shizhong, vice governor of the Shandong Provincial Government, extended greetings to the conference.

The conference is being held to discuss measures to cope with the situation in which our country should produce more export commodities and create more foreign exchange to promote a rapid development of foreign trade during the Seventh 5-Year Plan period. During the conference, representatives will exchange their experiences in inspecting import and export commodities, discuss and formulate plans for developing the work of inspecting import and export commodities during the Seventh 5-Year Plan period, and arrange the work for 1986. The main subjects for discussion at the conference are to further straighten out the guiding ideology, to enhance the means for inspecting import and export commodities, to strive for promoting the development of foreign trade, and to make contributions to increasing foreign exchange earnings and enlivening the national economy.

The convocation of this conference in Jinan gives the Shandong Provincial import and export commodities inspection department a good opportunity to emulate other places throughout the country and will lend great impetus to Shandong's import and export commodities inspection work.

EFFORT TO TRAIN MORE AUDITORS LAUNCHED

HK150556 Beijing CHINA DAILY in English 15 Feb 86 p 1

[By Zhu Ling]

[Text] A five-year effort is beginning this year to speed up the training of auditors to supervise China's fast-developing economy. It involves three major areas:

-- Establishing a nation-wide professional education system for auditors incorporating technical schools, colleges and special training centres set up by the State Audit Administration;

-- Training some 30,000 new auditors at either college or high-school level;

-- Giving all present auditors additional training in accounting, economic law, computer science and management techniques.

Liang Genhua, director of the Education and Personnel Department of the State Audit Administration, explained that the administration's present staff of 28,000 nation-wide were too few to handle the enormous workload. There are now around 2 million enterprises or other units in China whose books should be audited regularly and the administration has checked only about three per cent of them since it was established in 1983. "This year will see the start of a massive programme," Liang said. "But 'a 1,000-li journey starts with the first step' as the old Chinese saying goes."

For 1986, the office has set the following priorities: Establishing six auditor-training centres; building up an audio-visual education programme, including a recording studio; compiling and publishing auditing textbooks· building up a force of good teachers and running several crash courses by foreign auditing experts.

Liang said that the auditor-training centres would be in Hebei, Fujian, Jiangxi, Henan, Guangxi and Sichuan provinces. The administration hopes to train more than 20,000 people as auditors through a series of around 400 television classes. This programme will be broadcast to more than 50 percent of the country.

Also this year, seven textbooks, including An Introduction to Auditing, will be complied. Other topics under consideration are economic efficiency, finances, industry, commerce, foreign trade, and administrative procedures. Teaching programmes are being drafted for universities and technical schools, Liang said. So far, 29 institutions of higher learning and eight technical schools have set up auditing departments. In addition, some 750 auditing teachers will be trained this year to conduct television courses as well as university and technical school programmes.

Experts from Sweden and Canada are to run training courses in China this year and a number of Chinese auditors will study in Australia.

Since 1983, the State Audit Administration has uncovered many cases of accounting errors, fraud, inefficient management, serious violation of economic and financial laws, and waste. The administration's role is of growing importance now that businesses have more autonomy, Liang said. Some problems have risen, mostly fraud and the exploitation of loopholes for personal gain.

FUJIAN'S XIANG NAN INSPECTS POOR COUNTIES

OW190528 Fuzhou FUJIAN RIBAO in Chinese 4 Feb 86 p 1

[Excerpt] Recently, Comrades Xiang Nan and Wen Xiushan led responsible comrades of some provincial departments to inspect the poor counties of Zherong and Shouning. They discussed with the local cadres how to find a better way to accelerate commodity production and overcome poverty in these counties.

The leading provincial comrades and Lu Juyong, secretary of Ningde prefectural party committee, arrived in Zherong and then Shouning County from Fuding County on 1 February. Through efforts by cadres and masses in Zherong and Shouning Counties, their efforts by cadres and masses in Zherong and Shouning Counties, their production greatly developed in 1985. Industrial development in the two counties has been particularly remarkable, thanks to the introduction of investment from abroad and establishment of lateral ties at home. After visiting factories and rabbit farms and hearing briefings by the leading county comrades on their measures and future tasks in overcoming poverty, the leading provincial comrades happily lauded the two counties' correct guiding ideology. They said: In order to change the poor counties' outlook, agriculture must be further developed. More efforts must be exerted in developing grain production, forestry, rabbit and fish farming, as well as other agricultural undertakings. However, prosperity can only be achieved by promoting industry and commerce in addition to developing agriculture. We must make use of the plentiful mountain resources in the poor counties to develop agriculture, industry, and commerce. Ideologically, we must allow industry to play a dominant role.

How can the poor counties develop industry? The leading provincial comrades said: We must not follow the old path, but take a new approach in developing industry. The rural areas must develop household industry, and the cities must develop neighborhood industry.

FUJIAN'S XIANG NAN ADDRESSES TEACHERS FORUM

OW180815 Fuzhou FUJIAN RIBAO in Chinese 6 Feb 86 p 1

[Excerpts] Spring was overflowing inside the auditorium while winter rain came pattering down outside. Leaders of the provincial CPC Committee and the provincial government extended season's greetings to teachers; the teachers offered suggestions on ways to promote education and raise the quality of instruction in our province. Laughter frequently broke out in the auditorium. This was the lively scene at the forum sponsored by the provincial higher education department yesterday to extend Spring Festival greetings to teachers.

Early yesterday morning, Xiang Nan, Zhang Yumin, Chen Mingyi, Zhang Gexin, Wang Zhixing, and other responsible comrades as well as leaders of the provincial higher education departmrnt arrived at the auditorium of the Zhuanjialou reception center of Fujian Teachers University to extend festival greetings to the teachers assembled there and had a warm informal discussion with them. Present at the forum were teachers, representatives of political work personnel, and responsible persons of institutes of higher learning and secondary vocational schools in Fuzhou City.

Comrade Xiang Nan made a speech on the subject of "upholding reform and improving quality." He said: In recent years, especially last year, our province's educational work has developed rapidly and the achievements have been great. We must thank the teachers and other school personnel for this. You have overcome many difficulties and have done a great deal of work. We must rely on improving economic results to rejuvenate Fujian; to improve economic results we need technical progress.

Technical progress requires training of personnel, and this in turn requires that we earnestly promote education. Currently, we should pay special attention to carrying out the reform of the educational system well and should do better in integrating the running of universities with economic construction. We should gradually make school logistics work more community-oriented. Further efforts should be made to integrate instruction with scientific research.

JIANGSU COMMENTARY URGES CONFIDENCE IN REFORM

OW161253 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 15 Feb 86

[Station commentary: "Carry Forward the Spirit of the Foolish Old Man To Promote Reform in an All-round Way"]

[Text] This year, which marks the beginning of the Seventh 5-Year Plan, will be one in which all economic structural reforms will develop in depth.

Our province made new strides last year in restructuring the economy. The strides were bigger, results better, and problems fewer than we expected. The lifting of price control for farm and sideline products gave impetus to the readjustment in the structure of agricultural production and the development of commodity economy in rural areas. A fairly good result was achieved also in the reform of wages for government offices and institutions. A great deal of work was done and considerable achievements were also made last year in strengthening and perfecting macroeconomic control and eliminating unstable factors in the economy. Remarkable improvement was made toward changing the phenomenon in which total social demand exceeded total social supply. Economic life has been gradually normalized.

However, we must also realize that some weak links still exist in our economic work. Unstable factors in economic life still exist. Total social demand still exceeds total social supply and this situation is likely to worsen if we lower our guard even slightly. Under these circumstances, we must unify our thinking, persist in the reform, and persevere in pushing forward, maintaining and developing the current excellent situation.

In order to carry forward the spirit of the foolish old man and promote the reform in an all-round way, it is necessary to first firmly believe in the reform. It was reform that enabled us to make tremendous achievements in the past. It will have to be reform again on which we must rely to solve new problems in the economy. We must never waver in our determination and belief to carry out reforms no matter what new difficulties and problems may arise in the course of our drive for reforms and opening up to the outside world, not even when we suffer temporary setbacks.

In order to carry forward the spirit of the foolish old man and promote reform in an all-round way, it is necessary to persist in digging up the mountain every day without fail. As the mountain must be dug shovel by shovel, the reform must be carried out in stages in a systematic way. We cannot complete a thousand li long journey without taking the first step. We must never expect overnight success if we are to attain the goal for our reforms. We were able to fairly successfully carry out the reform of the price and wage systems last year. Generally speaking, the strides we made in these two reforms were considerable. The emphasis of this year's reforms should be placed on consolidating, digesting, complementing, and perfecting the reform measures to gradually turn the various reform measures into complete systems. We must act in accordance with the arrangement made by the party Central Committee to actively and prudently solve the salient problems in reform at present, conduct serious investigation and study, and carry out exploration and experimentation in selected places while making good preparations for next year's reforms. We must push forward the reforms step by step in a down-to-earth manner.

In order to carry forward the spirit of the foolish old man and promote reforms in an all-round way, it is also necessary for the whole party, leading cadres at all levels in particular, to always remain in close contact with the masses. Recently, some serious problems occurred in the party and government offices of our country. Problems such as these must be eliminated with firm resolve because they discredit reform, undermine the relationship between the party and the people, and seriously interfere with reform. In addition, we must further strengthen ideological and political work and effectively promote education in the situation and the policies. We should clearly explain to the people the tremendous achievements we have made and the difficulties and problems we now face and tell them in no uncertain terms about the utmost efforts being made by the party and government to inspire their fighting spirit and confidence.

The spring of the Year of the Tiger is full of vigor and vitality. Let us continue to carry forward the spirit of the foolish old man, fight in unity for a splendid future, and strive to win a still greater victory in the all-round restructuring of the socialist economy.

JIANGSU RADIO EMPHASIZES IMPROVING CONDUCT

OW150649 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 14 Feb 86

[Station commentary: "Improvement of Party Style Should Begin With Leading Cadres"]

[Text] The 12th CPC National Congress called for bringing about a fundamental change for the better in party style and in the standards of social conduct within 5 years. It has been 3 years and 4 months since the congress was convened. In the past 3 years or so, remarkable improvement has been made in party style and in the standards of social conduct of this province.

However, we should also be aware that in last few years, quite a few organizations have in fact been hesitant to improve party style and the standards of social conduct. They are all talk and no action, and they demand more from lower levels than they do from themselves. The cadres and the masses have a lot of complaints about them.

Early this year, the Secretariat of the CPC Central Committee called on the party members and the cadres of central party, government and Army organizations to set good examples in fundamentally improving the conduct of the party and the society. The provincial party committee has also pointed out clearly and assuredly that as far as the province is concerned, the improvement of the party style should begin with the provincial organs. Therefore, we must display the spirit of the foolish old man who removed the mountains, step up the building of spiritual civilization, and strive to fundamentally improve party style and the standards of social conduct.

The improvement of party style should begin with the leading organs and the leading cadres. If the leading cadres are upright and honest, set good examples for the masses to follow, and lead the masses in undertaking the four modernizations with one heart and one mind, the masses will happily support them, and will work hard together to accomplish one miracle after another.

The leading body of the (Chenguang) machinery plant displays a good work style. Their good work style has encouraged good style within the plant as a whole. Since the 12th CPC National Congress, the plant has scored great successes in building socialist material and spiritual civilization. Over the past 2 years, a number of good and honest cadres have emerged in this province.

At a recent meeting of cadres of central organs, Comrade Hu Yaobang called on the central organs to set good examples for the whole country to follow. He said that whenever a problem arises, we should first try to discover its causes among the leading organs and the leading cadres. Many masses say that there are high hopes for success in fundamentally improving the party style and the standards of social conduct, because the central, provincial and city organs and the leading cadres have been asked to take the lead in making such improvements.

In order to improve party style, the leading cadres should do more solid work, talk less, and make improvements one at a time. One of the reasons for our failure to rapidly improve party style and the standard of social conduct in the past was too much empty talk and too few actual deeds. We must thoroughly correct this mistake. The leading cadres must perform actual deeds, do what they have promised, and correct mistakes while making promises.

In order to improve party style and the standards of social conduct, we should proceed from handling specific cases and be determined to deal with some persons who engage in irregularities and violate law and discipline, particularly the cases involving leading cadres. We must investigate and handle important and major cases in accordance with discipline and law, regardless of who is involved.

Only those who sternly deal with criminals can stop unhealthy tendencies, encourage healthy trends, and make the party members and cadres understand the harmful effects of unhealthy tendencies, raising their awareness of the need to combat unhealthy tendencies conscientiously. The party style and the standards of social conduct surely can be fundamentally improved at an early date if we are determined to overcome all resistance, perform actual deeds, and resolutely work hard for several years.

SHANGHAI SECRETARY WRITES ON RURAL ECONOMY

OW140951 Shanghai City Service in Mandarin 0100 GMT 13 Feb 86

[Text] JIEFANG RIBAO today gives frontpage display to the full text of an article written by Comrade Rui Xingwen, entitled: "Shanghai's Rural Economy Being Integrated With the Urban Economy in the Course of Reform." The article is divided into eight parts, including the three bases for integrating urban and rural economy in the rural areas. The integration of urban and rural economy is the natural result in the course of deepening the reform in Shanghai's rural areas.

HENAN MEETING DISCUSSES CURRENT PRODUCTION TASKS

HK150221 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Excerpts] The provincial government held a telephone conference on the evening of 14 February which demanded that all prefectures and cities take effective steps to get a good grasp of current industrial and agricultural production without missing the season.

Vice Governor Qin Kecai said: From now on, while continually improving economic results, we must ensure an 8 percent increase in industry and strive for 10 percent. This is a suitable growth rate. We must fulfill at least 24 percent of the year's plan in the first quarter and 48 percent of the year's plan by the end of June, while striving for over 50 percent fulfillment. The departments, prefectures and cities must therefore resolutely eliminate slackness and fear of difficulties, strive for the initiative without waiting around or relying on others, and get a good and early grasp of this work.

We must take steps to solve as far as possible the problems of power and raw materials supply. In the existing circumstances, we must arrange work in order of priority and ensure the key points. The electric power departments must step up planning arrangements and control work, and ensure a full and steady supply. Material supply departments must do everything possible to do their work well. The provincial departments concerned must solve as far as possible the current problem of capital for industrial production.

Regarding current agricultural production in the province, Vice Governor Hu Tingji called on the province to urgently mobilize and rapidly consolidate an upsurge of spring production centered on tending the wheat crop. We are now at the crucial moment of spring farming. The government at all levels must organize the masses as early as possible to plunge into tending the wheat crop. Areas in western and northern Henan where the drought is serious must hurry to fight drought, irrigate the wheat, fertilize the crop, and act to preserve soil moisture.

In order to support the effort to fight drought and irrigate the wheat crop, the provincial government has decided that 200,000 kilowatts of electricity will be allocated to rural areas of northern and western Henan from 15 February to 15 March. The prefectures and cities concerned must make arrangements as early as possible to make maximum use of this power and ensure that it is used for fighting drought and irrigating the wheat.

HUBEI INDUSTRIAL, AGRICULTURAL PRODUCTION INCREASES

HK140847 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 12 Feb 86

[Text] According to statistical data supplied by the provincial Statistical Bureau, industrial and agricultural production in our province in 1985 increased in an all-round way and a good situation in the coordinated development of agricultural and light and heavy industries emerged.

The gross industrial and agricultural output value of the whole province last year reached 62.13 billion yuan, recording an increase of 15.9 percent over the preceding year. All quotas in the Sixth 5-Year Plan were successfully fulfilled. The average yearly increase during the 5 years was 13.3 percent and it was one of the periods since the founding of our country when the increase has been the greatest. The rural economy continued to develop in the course of reform. The gross agricultural output value of the whole province in 1985 reached 19.76 billion yuan, an increase of 11.7 percent over the preceding year. Industrial production increased in an all-round way. The vitality of enterprises was further strengthened and economic results raised. The gross industrial output value last year was 42.37 billion yuan, 17.9 percent more than in the preceding year.

SICHUAN CPC CALLS FOR CORRECTING PARTY STYLE

HK130705 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 12 Feb 86

[Text] Recently the central leadership has repeatedly issued documents on correcting party style. The Provincial CPC Committee has paid serious attention to these documents and resolutely implemented them. It strictly demanded that CPC committee at all levels must do three things:

1. Earnestly study central documents on correcting party style, have a sense of urgency in correcting party style, and raise their consciousness in curbing malpractices.

2. Implement the regulations of the central leadership to the letter. If they violate the regulations, they must be dealt with severely. It is necessary to investigate and affix the responsibility of the leaders concerned.

3. Seriously investigate and correct malpractices in accordance with the demands of the central leadership. Those who make serious mistakes must be brought to justice.

SICHUAN BUILDS 'MILITIA ECONOMIC ENTITIES'

HK150537 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Text] The CPC Committee of Sichuan Military District has seriously tackled reforms of militia work in the new situation and embarked on a new road of launching the militia to build the four modernizations and centering militia work on the four modernizations. At present the province has set up over 4,000 militia economic entities with a total annual output value of 139 million yuan. The funds for militia activities in 889 townships are now met from the militia economic entities and the township enterprises, instead of being raised from among the masses.

XIZANG LEADERS ATTEND MASS GREETINGS MEETING

HK120753 Lhasa Xizang Regional Service in Mandarin 1130 GMT 7 Feb 86

[Excerpts] On the afternoon of 6 February, Xizang region general comfort group, and Lhasa City comfort subgroup held a grand, mass greetings meeting in the regional Civil Affairs Department, to celebrate the 1986 new year of the lunar calendar used by the Tibetan nationality. They also held a forum to support the Army, give preferential treatment to family members of martyrs and soldiers, support the government, and cherish the people. Attending the forum were responsible comrades of the regional party, government, and Army, including Wu Jinghua, Pagbalha Geleg Namgya, Raidi, Doje Cering, Dangzin, Gyaincain Norbu, Hu Songjie, Jiang Hongquan, Shengqin Luosangjianzan, Cao Xu, Langjie, Jiangzhong Zhaxiduoji, Samding Doje Pamo, Jyamco, Gyibug Puncogcedain, Tudao Doje, Gong Daxi, Zhang Shaosong, Gao Tangjin, (Zhou Yangyu), and (Xu Minggao); vice chairmen of the regional CPPCC Committee, including Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, Danzeng Jiacuo, Lhalu Cewang Doje, (Huokang Suolang Bianba), and (Gongbassa Tudeng Jizha); responsible comrades at and above regimental level of the PLA units stationed in Lhasa; representatives of family members of martyrs and soldiers of religious circles; and responsible comrades of all regional subordinate departments, totaling some 300 people.

On behalf of the regional CPC Committee, People's Congress, government, and regional CPPCC Committee, Gyaincain Norbu, deputy secretary of the regional CPC Committee and head of the regional general comfort group, wished the people of all nationalities, the cadres, and the workers throughout the region a happy new year.

Comrade Gyanincain Norbu said that 1986 is the first year of our country's Seventh 5-Year Plan. The tasks confronting us are very arduous. Under the leadership of the CPC Central Committee and State Council, allow us, both the Army and government and both the Army and people, to be further united; carry forward the spirit of the foolish old man; work hard to invigorate the Xizang economy and to build a new, united, rich, and civilized Xizang;carry out the great plan; and render new meritorious service again.

(Tzhou Yangyu), deputy political commissar of the Xizang Military District, spoke at the forum, saying: In the struggle of defending border areas and building the southwest border areas of our motherland, the regional CPC Committee, government, and people of all nationalities have vigorously supported the PLA units of our district and shown meticulous concern for and cherished them. Here, on behalf of the commanders and fighters of the PLA units of the whole district, I express heartfelt thanks to the regional CPC Committee, government, and people of all nationalities.

Wu Jinghua, secretary of the regional CPC Committee, spoke at the forum. He said: In the year ahead, we have much work to do and many difficulties to overcome. It is hoped that you will score still greater achievements on different fronts.

XIZANG'S WU JINGHUA AT SPRING FESTIVAL PARTY

HK120809 Lhasa Xizang Regional Service in Mandarin 1130 GMT 7 Feb 86

[Text] On the evening of 6 February, the regional Foreign Affairs Office held a party to celebrate the new year of the lunar calendar used by the Tibetan nationality and the Spring Festival. Attending the evening party were responsible comrades of the regional party government and Army, including Wu Jinghua, Pagbalha Geleg Namgya, Raidi, Basang, Dangzin, Gyanincain Norbu, Shengqin Luosangjianzan, Lanjie, Samding Doje Pamo, Jyamco, Tudao Doje, Lhamin Soinam Lhunzhub, Gao Tangjin, (Shou Yangyu), and (Xu Minggao), totaling some 140 people. Mr (Chamula Wukeyabu), consul general of the Consulate of the Kingdom of Nepal in Lhasa, and (Yougenaersi Xiaermaguodeer), consul, attended the evening party by invitation.

(Wangdui Zhaba), director of the regional Foreign Affairs Office, presided over the evening party and made a speech. On behalf of the regional Foreign Affairs Office and in his own name, he first wished the guests present a happy new year of the lunar calendar used by the Tibetan nationality and a happy Spring Festival and wished them [words indistinct]. He said: Over the past year, friendly contacts between our region and the Kingdom of Nepal have developed further. Government, cultural, economic relations, trade tourism, animal husbandry and youth delegations from Nepal visited our region in turn, and delegations of various kinds from our region successively visited the Kingdom of Nepal. This has further deepened the friendship between the people of our region and the people of Nepal. We have felt happy about and satisfied with this. We have appreciated the efforts made by Mr (Chamula Wukeyabu).

Comrade (Wangdui Zhaba) said: This is a year when our region is struggling hard to carry out the great target of basing everything on Xizang realities; doing everything to develop productive forces; and doing everything for the well-being of the people of Xizang which was put forward by the enlarged meeting of the regional CPC committee Standing Committee. We sincerely hope that economic construction in our region will be supported by our fraternal Nepalese people. We are willing to strengthen friendship and cooperation with the Nepalese people in a wider sphere.

XIZANG LEADERS VISIT PATRIOTIC PERSONAGES

HK120801 Lhasa Xizang Regional Service in Mandarin 1130 GMT 10 Feb 86

[Excerpts] On the morning of the second day of Tibetan New Year, Wu Jianghua, secretary of the regional CPC Committee; and Raidi, deputy secretary of the regional CPC Committee, paid visits to important patriotic personages, wishing them a happy new year.

They went first to the house of Pagbalha Geleg Namgyai, vice chairman of the regional People's Congress Standing Committee and vice chairman of the regional CPPCC. They received a warm welcome in the house. Comrade Wu Jinghua held Comrade Pagbalha Geleg Namgyai's hand and said: We love each other and are bound together by ties of fraternal friendship. Over the past year, we have made contributions for promoting unity and prosperity in Xizang. We must strive for better results in this year.

Comrade Pagbalha Geleg Namgyai smiled and nodded his head. He also thanked the responsible comrades of the regional CPC Committee for visiting him.

Then, at the house of Lhalu Gewang Doje, vice chairman of the regional CPPCC, both the guests and the host extended hadas and season's greetings to each other.

Gaxoi Qoigyai Nyima, vice chairman of the regional CPPCC, is now 85 years old. Upon hearing that the leading comrades of the regional CPC Committee were going to visit him and wish him a happy new year, he went outside his house and greeted them. In addition, he asked his family members to prepare Tibetan dishes for the regional leaders.

At noon, Comrades Wu Jinghua and Raidi went to Sengqen Lozong Gyaincain's house, vice chairman of the regional People's Congress Standing Committee. They extended season's greetings and chatted with the host. Wu Jinghua and Raidi also paid a new year's call on (Kunming Lin) at his home. Then the leaders visited the children of Ngapoi Ngawang Jime and extended season's greetings to them.

XIZANG LEADERS VISIT WORKERS DURING FESTIVAL

HK121546 Lhasa Xizang Regional Service in Mandarin 1130 GMT 11 Feb 86

[Excerpts] On the afternoon of 10 February, Doje Cering, deputy secretary of the regional CPC Committee and acting chairman of the regional people's government; Mao Rubai, deputy secretary of the regional CPC Committee; Jyamco, vice chairman of the regional people's government; and responsible comrades of departments concerned went to the Lhasa thermal power plant and the northern suburban transformer station of the Lhasa electricity supply department to pay new year's calls to the cadres and workers who were standing fast at their posts during the festival.

During the festival, the workers of the northern suburban transformer station of the Lhasa electricity supply department thought about the interests of the consumers. The amount of electricity transmitted to the urban area of Lhasa City each day has reached 27,000 kilowatts. Leading comrades including Doje Cering expressed heartfelt thanks for the achievements they had made.

PLA UNIT COMMENDED FOR TRANSPORT WORK IN XIZANG

HK180345 Lhasa Xizang Regional Service in Mandarin 1130 GMT 16 Feb 86

[Text] According to JIEFANGJUN BAO, the general staff and general political departments of the PLA on 4 February issued an order commending all commanders and soldiers of a transport regiment of the Air Force of the Chengdu Military Region for fulfilling urgent air transport work in Moedog County, Xizang.

The order, which was signed by Chief of Staff Yang Dezhi and Director Yu Qiuli, read: Since mid December 1985 to early January 1986, a transport regiment of the Air Force of the Chengdu Military Region, with the cooperation and assistance of ground forces in the areas concerned, piloted new-type helicopters to carry out urgent relief tasks in the Medog area, Xizang.

By giving full play to the style of fighting courageously in battle, being unafraid of fatigue, and fighting continuously, and after overcoming such difficulties as serious altitude sickness, a bad climate, and dangerous and difficult topography, the commanders and soldiers of the regiment airlifted relief personnel and supplies to soldiers and people in Medog; opened up a new flight route in southeastern Xizang; tested and tempered the capacity of the regiment to use new formations lineup under complicated conditions; and fulfilled the task safely and smoothly.

The order pointed out that the first use of helicopters on the roof of the world for urgent disaster relief is an important event in aviation history. This fully indicates the concern shown by the CPC Central Committee, the State Council, and the CPC Central Committee Military Commission for soldiers and civilians in the border area. Is has encouraged them to take root in, build, and defend the border area, and will play an important role in strengthening the defense modernization of the PLA.

The order demanded that the Army which carried out the disaster relief task, seriously sum up experiences, exert persistent efforts, and make greater contributions to defending and building border areas.

FAKE ALUMINUM INGOTS CASE CRACKED IN HEBEI

OW171222 Beijing XINHUA Domestic Service in Chinese 0858 GMT 17 Feb 86

[Excerpts] Shijiazhuang, 17 Feb (XINHUA) -- Hebei Province recently handled the economic crimes committed by Anxin and Qingyuan Counties which produced and sold fake aluminum ingots. The criminal responsibilities of 14 major culprits, who have been put behind bars, will be investigated and affixed according to law. The principal party and government leaders of these two counties have either been dismissed or given serious disciplinary warnings within the party for having neglected their duties.

It has been confirmed that from September 1984 through April 1985, a total of 1,424 metric tons of fake aluminum ingots were produced by 552 family-sized smelteries in 7 townships and 25 villages in these 2 counties. It has also been confirmed that, during the same period, 957 metric tons of fake aluminum ingots were sold through 29 trade companies and traders engaged in selling fake aluminum ingots.

Although the two counties' party and government leaders were aware of the illicit business long time ago, they took no action to stop it. Consequently, the illicit business quickly spread in the two counties. Brazenly emboldening lawless elements, Duan Hanging, secretary of the Qingyuan County CPC Committee, even went so far as to visit Wang Yufu, manager of the Yongxing Trade Company, to "comfort" him after his company was implicated in trading fake aluminum ingots last year. Liu Jinzhang, secretary of the Zangcun District party committee, and others also worked in collusion with lawless people, using each other in seeking personal gains. The party branch of Donglao Village in Anxin County's Shenjiapi Township even directly supported the villagers in producing bogus aluminum ingots. As a result, 220 of the village's 255 families engaged in producing, bogus aluminum ingots. The two counties' administrations of industry and commerce have also seriously neglected their duties. Some administrators have even colluded with lawless elements in bending the law for the benefit of their relatives and friends.

HEILONGJIANG LEADERS HELP STATE FARMS SOLVE PROBLEMS

SK190105 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 17 Feb 86

[Text] In order to achieve overall prosperity in the economy among the state farms throughout the province, the principal leading personnel of the provincial CPC Committee and the provincial people's government recently went deep into the reclamation area to conduct official duties there and dealt with a large number of major and important problems on the spot.

Through the more than 30 years of development and construction, our province's reclamation area has turned into a large economic zone with the main system of public ownership and a certain material and technical foundation. Since 1984, the area has conducted reforms in economic systems by making a breakthrough in establishing family-based farms of staff members and workers and vigorously developed a diversified economy while developing grain production, resulting in full vitality. Meanwhile, along with the deepening development of reforms, the area has incurred some problems needing urgent solutions, some of which have not been dealt with for a long time because of the blurring of responsibility and demarcation lines, as well as the fact that the professional departments have disputed over trifles.

After hearing the briefing given by the leading personnel of the State Farms Bureau, the principal leading personnel of the provincial CPC Committee and the provincial people's government openly presented the problems and held a direct discussion with the bureau personnel on dealing with the problems. As for those problems that deserve to be dealt with or can be solved, they made appropriate decisions on the spot. For example, regarding the dispute having to do with the jurisdiction of several farms and enterprises, which was put forward by the local authorities, they immediately made a decision on the spot after weighing the pros and cons in line with the interest of developing the commodity economy. They also made a decision on leaving the provincial State Farms Bureau and the State Farms Administrative Bureau unchanged, because the family-based farms of staff members and workers have just been opened, and much work is required to stabilize their development, to improve their systems, and to upgrade their production standard. They also decided to achieve new development in simplifying administration and delegating power to the family-based farms and in increasing the self-determination power among them. They have worked out measures in line with the policy of dealing with leftover problems from the past to make job arrangements for retired armymen and officers, and educated youths settling in the countryside.

In 1985, the reclamation area incurred serious natural disasters, and a large number of agricultural and animal husbandry farms found their harvest and incomes reduced. All of this has caused a large shortage of production funds this year and has become a major issue of concern to the masses throughout the area, from upper to lower levels. Therefore, the leading personnel of the provincial CPC Committee and the provincial people's government immediately made a decision on giving support to the production of major commodities, reducing the intermediate links of exporting commodities as much as possible in order to accelerate the pace of funds circulation, giving a helping hand to the area to tap the latent potentiality in terms of inner funds, and making reasonable arrangements for loan releases. All of these measures have had an effect in overcoming difficulties involving funds. As for some problems that must be dealt with or cannot be solved by the provincial authorities, they also immediately made a decision on having the departments concerned ask their higher authorities for instructions. As a result, all questions put forward by the reclamation area have been discussed or disposed of on the spot.

HEILONGJIANG'S SUN WEIBEN WATCHES DRAMA

SK190200 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 18 Feb 86

[Text] On the evening of 18 February, leading comrades of the province and Harbin City, including Sun Weiben, secretary of the provincial CPC Committee, and Chen Yunlin, deputy secretary of the provincial CPC Committee, watched an eight-scene drama entitled "Cui Jinying Brings a Lawsuit," newly prepared by the Harbin Drama Theater. This drama was written by our province's dramatist (Guan Shouzhong) and won gold awards last year for national minority drama creations. The whole drama depicts a situation in which a minority discipline inspection cadre of our party and an honest forest guard, in order to protect the forest resources of the country, staged an acute struggle against some party-member cadres and criminals who ignored the party's discipline and the state law. It eulogizes the righteous and unyielding fighting spirit of the Communist Party members represented by a female inspector (Hong Yilian) and a forest guard.

LIAONING INCREASES TRADE WITH HONG KONG, MACAO

SK160306 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 15 Feb 86

[Text] Trade between Liaoning Province and Hong Kong and Macao has achieved rapid progress and is full of vitality. Since 1980, the yearly volume of trade has reached more than $30 million. During the implementation period of the Sixth 5-Year Plan, the yearly volume of trade surpassed that of the Fifth 5-Year Plan period by 70 percent. Hong Kong and Macao have become one of the major markets selling our province's exported commodities.

At present, the 13 provincial-level import and export companies are supplying more than 2,000 kinds of commodities to Hong Kong and Macao markets. Of these commodities, the yearly volume of more than 20 kinds of products is worth more than $1 million. In 1980, our province established the Zhongliao Trade Company which, since then, has become the major window of developing trade with Hong Kong and Macao. In 1983 and 1985, our province held export trade fairs in Hong Kong and Macao, respectively, which have further promoted the trade relationship between the province and Hong Kong and Macao.

CRIMES COMMITTED BY SENIOR CADRES' SONS REPORTED

HK181146 Hong Kong WEN WEI PO in Chinese 18 Feb 86 p 7

["Special article" by special correspondent Yao Hsin-pao: "How the Crimes Were Committed -- Trial Brought Before the Shanghai Court"]

[Text] A major suit of hooliganism involving the sons of senior cadres in Shanghai was officially filed with the Shanghai Municipal Intermediate People's Court on 15 October 1985. The case, identified as "Chen Xiaomeng, Hu Xiaoyang, Ge Ziwen, Chen Binglang, Chen Danguang, and Kang Yefei jointly committing rape and hooliganism," was filed by the sub-branch of the Shanghai Municipal People's Procuratorate based on accusations by the victims, confessions by the accomplices, and testimonies of the witnesses.

Crimes of Raping Women Using Violence and Coercive Means

Chen Xiaomeng, a principal in the crime, was identified in the indictment as using violence and coercive means to rape four women (violating two by several men in turn, raping one, and attempting to rape one) and using indecent means to rape 13 women and to molest 5 others. He was charged with rape and hooliganism.

Hu Xiaoyang, another principal in the crime, was identified in the indictment as using violence and other means to rape four women (violating two by several men in turn, raping one, and attempting to rape one) and using indecent means to rape 12 women and to molest 10 others. He was also charged with rape and hooliganism.

A Detainee Reports and Exposes the Offense to the Authorities

The clue to the major case of hooliganism, which went on for 3 years, was found by the public security department here in a letter of accusation by a detainee. The letter of accusation confirmed that a young saleswoman surnamed Zhang told the detainee that a female youth had been gang-raped by several men. Basing their investigation on this clue, the personnel from the Shanghai's Luwan District Public Security Subbureau handling the case immediately found the plump and graceful girl who had been raped. From her account of the rape, which had occurred 2 years before, an important criminal called Ge Ziwen, who had taken part in the rape, was summoned for interrogation.

Raping Women by Holding Dances

The arrest of Ge Ziwen, the son of a cadre from a Shanghai perfumery, clarified the truth of the case. He not only confessed to the interrogators the crimes of raping other women, but also gave the names of Chen Xiaomeng, Chen Binglang and his brother, and Hu Xiaoyang, who had played important roles in this rape and hooliganism. Taking advantage of their superior situations, the members of the gang often gathered women on the pretext of holding family dances.

Chen Xiaomeng, a principal in the case, was arrested on 30 November 1984. In his 50,000-character statement entitled "My Personal, Hand-written Confession," he confessed that long before he joined in the indecent activities of the gang, he had had a "previous criminal record." In his "confession" he admitted to having molested many girls in his neighborhood and the daughters of his relatives from the end of 1972 to the summer of 1973. In its indictment, the sub-branch of the Shanghai Municipal People's Procuratorate held that the six defendants who had committed serious crimes and gravely endangered public security should be strictly punished.

WUHAN CITY GRAPPLES WITH ECONOMIC VIOLATION CASE

HK180543 Hong Kong MING PAO in Chinese 15 Feb 86 p 5

["Special Dispatch From Beijing": "China International Trust and Investment Corporation Resells Vehicles for Profit"]

[Text] The industrial and commercial administrative bureau of Jianghan District, Wuhan City, and the industrial and commercial administrative bureau of Shiyan City are now handling a case in which the China International Trust and Investment Corporation [CITIC] resold vehicles at a higher price for profit in violation of the state's relevant policies and regulations.

According to the industrial and commercial administrative department of Hubei Provincial Government, CITIC and the No 2 automobile plant signed an agreement in early 1985 by which CITIC provided $2 million of foreign exchange for the factory to import a production line, the factory supplied the investment corporation with 248 "Tongfeng 140" trucks at a price of 23,000 yuan per vehicle.

Between May and September 1985, 111 trucks were resold for 42,800 yuan to nine units in six provinces, including the Guangzhou City mechanical and electrical industrial supply and marketing corporation and the material supply bureau of Chaozhou City, Guangdong Province. The investment corporation made a total profit of 2.31 million yuan from these transactions.

After this case was revealed, the industrial and commercial administrative bureau of Jianghan District, Wuhan City, decided that the sales contract should be suspended, the automobile plant must stop the sale of the remaining 115 "Tongfeng 140" trucks to the investment corporation, and all illegal profits are to be confiscated and turned over to the state treasury. Another 22 vehicles were confiscated by the industrial and commercial administrative bureau of Shiyan City, which demanded that CITIC refund the money to the buyer units. However, CITIC has so far refused to give the refund and return the vehicles to the automobile plant, and rejects the decision made by the industrial and commercial administrative department. At present, the industrial and commercial administrative bureau of Shiyan City continues handling this case.

CHEN YUN ACTS ON CASE INVOLVING SCIENCE ACADEMY

HK180206 Hong Kong WEN WEI PO in Chinese 17 Feb 86 p 1

[Dispatch by a special correspondent: "Beijing Exposes Scandal of Senior Cadres Engaging in Auto Transactions"]

[Text] Shanghai, 15 Feb -- Following the determination of the central authorities to further rectify unhealthy tendencies, another automobile case has been exposed and dealt with. It was reported here that last year the Chinese Academy of Sciences used a huge amount of foreign exchange to buy a number of deluxe cars from abroad. After these cars were delivered, senior cadres with power and influence began to ask the Academy of Sciences for new cars, and they discarded their imported Crown Cars after obtaining new cars. Contradictions and problems arose as a result of contention for new cars, and some people reported this problem to the CPC Central Committee Political Bureau. Hearing this, Chen Yun was very angry and wrote a document ordering those who had obtained new cars from the Academy of Sciences to return the cars in a given time. The instruction remarked that those cadres were not allowed to substitute new cars for their old cars by compensating for the price difference and that this case of exchanging cars should be criticized and those involved should be punished according to party discipline.

It has said that various localities had cultivated the habit of importing deluxe cars and that going in for extravagance had become a new trend among bureaucrats. Contradictions also arose following the contention for new cars. The purpose of the CPC Central Committee's document was to halt this unhealthy tendency.

ZHAO ZIYANG'S GUANGZHOU VISIT REVIEWED

HK170304 Hong Kong TA KUNG PAO in Chinese 17 Feb 86 p 1

["Special Disptach": "Zhao Ziyang Inspects Guangzhou"]

[Text] Guangzhou, 16 Feb -- Central party and government leaders Zhao Ziyang, Hu Qili, and Tian Jiyun and members of their party, who came to Guangdong early this month to carry out inspection work in the province, arrived in Guangzhou by plane at 1700 on 14 February from Hainan Island. They inspected Guangzhou yesterday, and issued many instructions on the work of Guangdong Province.

As revealed by authoritative sources here, the above-mentioned central leading persons convened meetings the very same night several hours of after their arrival in Guangzhou in spite of their fatigue from the long journey. These meetings were attended by responsible persons in charge of discipline inspection, propaganda, public security organs, procuratorial organs, and people's courts, as well as universities and colleges. The central leaders listened to their reports on the building of spiritual civilization in Guangdong Province.

Yesterday afternoon, Hu Qili and Tian Jiyun respectively called persons concerned together to attend discussion meetings. It was learned that these two meetings discussed party work style, the general mood of society, and economic work.

Yesterday morning, when Premier Zhao Ziyang was visiting the biggest agricultural farm products market in Guangzhou, located at Qingping Road, in the company of Xu Shijie, secretary of the Guangzhou Municipal CPC Committee, a number of individual households put up their thumbs, saying: "Zhao Ziyang, you are great! Zhao Ziyang, you are great!" Zhao Ziyang also inspected southern Huaxi Street. Once he alighted from his limousine, he told responsible persons of the neighborhood office of the street: "I came here out of my admiration for you. I learned of your advanced deeds from the newspapers. You have made great achievements in the building of the two civilizations." Residents of the street said hello to Premier Zhao one after another.

Premier Zhao also revisited the "Orchid Garden," a park in the center of the city. While enjoying the sight of the orchids, Zhao Ziyang asked about Guangzhou's market supplies during Spring Festival. When he heard that the supply of special goods for the Spring Festival was ample and that the supply of vegetables was sufficient at lower prices, he nodded his head in satisfaction. While Zhao Ziyang was visiting the park, it was open to the public as usual, and many visitors greeted Zhao Ziyang.

Yesterday, Zhao Ziyang, Hu Qili, Tian Jiyun, and others inspected the Tianhe sports center and the new city of Wuyang, which are under construction. They paid attention to these large construction projects. Hu Qili, Tian Jiyun, and others also visited the newly-built amusement park the "Dongfang Playground," and the Garden Hotel.

Yesterday evening, Zhao Ziyang, Hu Qili, Tian Jiyun and others met responsible persons of the party, government, and Army of the Guangzhou area at Guangzhou's Zhudao Guesthouse. Zhao Ziyang told those who were present: "Let me extend my festival greetings to all of you. I wish those who are over 60 a long life! I wish those who are under 60 good health!" The hall resounded with enthusiastic applause.

XU JIATUN ON PRESS FREEDOM, TALKS WITH PORTUGAL

HK140301 Hong Kong HONG KONG STANDARD in English 14 Feb 86 p 3

[Text] China's top representative in Hong Kong said yesterday that comments by visiting Beijing official Lu Ping last month on press freedom were Mr Lu's personal views. The representative, Mr Xu Jiatun, director of XINHUA News Agency in Hong Kong, was speaking at the start of a Lunar New Year visit to Macao.

Mr Lu, the Secretary, General of China's Hong Kong and Macao Affairs Office, had said freedom of the press could not be allowed to infringe on China's sovereignty. His comments have been interpreted as an indication that press freedom would be restricted after 1997. On being pressed on the question yesterday, Mr Xu said aspects of freedom of the press will be expounded in sections of the Basic Law. He refused, however, to give his own personal comments on how much press freedom would be allowed after 1997.

On being greeted by community leaders in Macao yesterday, Mr Xu said the coming year will be an important one for the territory. He pointed out that China and Portugal will start negotiations soon over Macao's future.

China will have to wait, Mr Xu said, for a new Portuguese Government to be formed following the elections, but the change will not affect the forthcoming negotiations. Mr Xu said he expects China and Portugal to reach satisfactory solution on Macao's future, given the friendly relationship between the two countries and the good precedent set by the negotiations on Hong Kong.

He said Sino-Portuguese negotiations should proceed harmoniously in line with the principle of "Macao people ruling Macao." He said the stormy Sino-British negotiations over Hong Kong would not occur in Macao. China would take good care of the interest of Macao compatriots and Portuguese, Macao-born or otherwise, he said.

HONG KONG OFFICIAL ON NEW DRUG SMUGGLING ROUTES

HK130827 Hong Kong SOUTH CHINA MORNING POST in English 13 Feb 86 p 8

[Text] Drug traffickers, relying on supplies from the "Golden Triangle," are turning to more elaborate smuggling routes in a bid to evade detection. The warning came yesterday from the Assistant Commissioner of Customs (Investigations) Mr K. S. Tong, who said the increasing use of circuitous routes to smuggle drugs into Hong Kong had emerged as one of the more worrying trends of last year. Mr Tong said there were disquieting signs that this tactic, though not altogether new, was becoming more popular with drug syndicates.

The bulk of the opiate drugs that feed Hong Kong's addicts originate from the Golden Triangle -- a mountainous region where the borders of Thailand, Laos and Burma meet. But instead of shipping the drugs directly from the producing countries traffickers are switching to longer, more circuitous routes and transhipping their illicit cargoes through non-producing countries, such as Japan, Taiwan, Korea and China. By masking the origin of the shipment, the traffickers hope to throw customs officers off their trial. The same ploy is being used by traffickers trying to smuggle cannabis into Hong Kong from the Philippines, Mr Tong said.

He said that in December, 126 kg of cannabis, with an estimated street value of $7 million, was discovered on a ship that had sailed from the Philippines via Taiwan, which is a non-producing country.

The drug, the biggest seizure of cannabis in Hong Kong, was found in the cavities and cathode ray tubes of used video game machines in a container. Last month, customs officers found 20 kg of cannabis, valued at $1 million, hidden in furniture from the Philippines that had been transshipped through Tokyo, another non-producing country, to the Kwai Chung container terminal.

"We are very concerned about this method of smuggling which makes detection an even more difficult job," said Mr Tong. "Tens of thousands of ships come to Hong Kong every year, and it is impossible for us to search every single one of them, particularly those that do not come from suspect ports."

In response to this latest drug-smuggling tactic, customs officers have stepped up intelligence-gathering within the region. They are also inspecting more shipments from such countries as Japan, Taiwan, Korea and China and are checking manifests more closely.

Mr Tong described 1985 as "a year of steady yields" in the battle against illicit drugs. Customs officers seized 315 kg of drugs with street value of $43 million last year. Total drug seizures for the year by both the customs service and the police amounted to 621 kg. Seizures of drugs by the Customs and Excise Department rose by six per cent last year compared with 1984 seizures. A total of 315 kg of drugs comprising 90 kg of heroin base, 48 kg of heroin, 33 kg of opium and 144 kg of cannabis and cannabis resin were confiscated. Mr Tong said that the favourite method of smuggling drugs into Hong Kong continued to the sea route because of Hong Kong's easy accessibility by sea.

CONFIDENCE DECLINES IN POLITICAL FUTURE

HK180457 Hong Kong SOUTH CHINA MORNING POST in English 18 Feb 86 p 1

[Text] Hong Kong people's confidence in the political future of the territory has declined since last summer, a survey commissioned by the SCM POST has revealed. However, the majority of people -- 78 percent of those interviewed -- are still confident about the overall future of Hong Kong. The survey, conducted by Survey Research Hong Kong Ltd, set out to ascertain the political and economic opinions of local people. As part of the SCM POST'S efforts to assess local feelings at this crucial time in the territory's history, the survey will be updated from time to time.

One thousand people from all sectors of society were quizzed about their views at separate times last January, May, September and November and again last month. The findings show the political confidence index has been on the wane since May. And the percentage of people who were "very confident about the future of the territory" dropped from 23 percent a year ago to 13 percent last month. Those who were "not confident" rose from 13 to 22 percent during the same period.

The survey team said: "The political confidence of Hong Kong people is sensitive to the public discussion about how Hong Kong will be governed in the post-1977 era." The survey revealed that Hong Kong people's confidence in the economic future of the territory fell significantly between May and the end of last year, but recovered slightly last month. Sixty-seven percent of those interviewed last-month considered the present local economic situation to be "average." Those who held optimistic views on the economy dropped from 20 percent in September and November to 16 percent last month.

The percentage of pessimistic individuals remained at 17 percent on the last two occasions the survey team sought opinions, in November and last month. Those who held pessimistic views were mainly in the lower income bracket, with household earnings of less than $5,000 a month. The SCM POST will publish full details of the survey in forthcoming issues.

DAILY REPORT

China

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LIAOWANG ON RELATIONS, EFFORTS TO REJOIN GATT

HK180733 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 5, 3 Feb 86 pp 28-29

[Article by Yu Jiafu: "China's Relations With GATT"]

[Text] There has been a new development in the relations between GATT and China. In January this year, Arthur Dunkel, director general of GATT, and (Roselle), counselor of the legal affairs department, visited China at the invitation of Zheng Tuobin, minister of foreign economic relations and trade. They exchanged views with senior Chinese leaders on China's status in GATT.

The General Agreement on Tariffs and Trade provisionally went into effect in 1948. GATT now has 90 officially contracting parties. It is a multilateral agreement on international trade. In fact, it is also the biggest multilateral institution in the field of international trade. In May 1948, the then KMT government represented China in jointing GATT, and becoming one of the contracting parties. After the founding of the PRC, the Taiwan authorities illegally withdrew from GATT, in March 1950. In January 1965, they illegally applied for, and were granted, the status of observer participating in the general assembly of the contracting parties of GATT. In October 1971, China's legal seat in the United Nations was restored. In November of the same year, GATT deprived Taiwan of its observer status.

In recent years, China has increased its contacts with GATT. China has four times had a nonvoting delegate attend the annual general assembly. China also participated in the international textile trade agreement (MFA), which was reached under the auspices of GATT, and became a member of the textile committee under GATT. China's trade volume with members of GATT accounted for more than 85 percent of the total volume of its foreign trade. GATT, the IMF, and the World Bank have become the three main pillars of the capitalist economy. At present, more than 85 percent of world trade is carried on among contracting parties of GATT.

However, for historical reasons, China's relations with GATT have been suspended for a long time. Many contracting parties of GATT do not yet sufficiently understand China's position in demanding the restoration of its membership. Therefore, it is necessary for China to strengthen its contacts with the GATT Secretariat in order to exchange views through bilateral or multilateral consultation.

Before Director General Dunkel's visit to China, his legal advisor, (Linton), and councillor of the Department of Economic Reasearch and Analysis, (Vold), came to China to discuss with the Chinese side some legal matters and other problems involved in China's resumption of its membership. They visited Guangzhou, Shenzhen, and Xian.

Dunkel said that the prupose of his visit was to brief China on the situation of GATT, and to pass on the views of the contracting parties on China's intention to resume its membership in the organization. During his stay in China, he held several talks with leaders of the Chinese ministries and commissions concerned to exchange views.

On 10 January, Zhao Ziyang, State Council premier, met with Director General Dunkel at the Ziguangge in Zhongnanhai, and talked with him for 40 minutes. First of all, Zhao Ziyang thanked Mr Dunkel and the secretariat of GATT for their efforts to restore China's status as a contracting party. Zhao Ziyang said: China's policy of opening up to the outside world is advancing in depth. This is an irreversible trend. China hopes to return to GATT as early as possible. This conforms to the needs of China's policy of opening up to the outside world.

Zhao Ziyang added: If China restores its membership in the GATT, it will further expand its trade contacts with members of the organization. Judging from the development trend of China's foreign trade, China needs not only to expand exports, but also to increase imports. China is a big market. To develop its economic construction, China needs to import many things. However, without exports it will be devoid of means of payment.

Zhao Ziyang also told the director general that with the progress of China's economic structural reform, the differences between China and most of the member states of GATT in certain aspects such as foreign trade system, prices, and exchange rate will be narrowed. He hoped that member states of GATT would have a better understanding of China, and pay attention to such developmental trends.

After the talks, Dunkel stated that Premier Zhao's meeting with him showed that the Chinese Government attaches importance to the development of relations between China and GATT. Premier Zhao's remarks had left a very deep impression on him so that he understood China's position on resuming its membership in GATT, and its determination to implement the policy of opening up firmly and for a long period. Dunkel stressed that he would continue to strive to restore China's membership in GATT.

Foreign Minister Wu Xueqian also met Director General Dunkel. Wu said that he appreciated the step taken by GATT in 1971 to terminate the participation of the Taiwan authorities in the general assembly of contracting parties, with "observer status" in accordance with the UN resolutions on restoring China's legitimate seat in the organization. As one of the earliest contracting parties, China hopes to resume its seat in GATT. He stated that China has always promoted its economic and trade contacts with various countries on the basis of equality and mutual benefit. After the restoration of its membership in GATT, China will develop its trade relations with member states of the organization in accordance with this principle.

During his stay in Beijing, Dunkel also met responsible persons of the State Economic Commission, the State Planning Commission, the Ministry of Foreign Economic Relations and Trade, and the General Administration of Customs. He also talked with figures in Chinese economic circles to gain an understanding of China's economic structural reform.

Li Ke, representative of the minister of foreign economic relations and trade, briefed Dunkel on China's economic structural reform, foreign trade system, and foreign trade policy, and answered questions on the special economic zones raised by the guest. Li Ke said: While opening up to the outside world, China is not only actively developing bilateral economic and trade relations, but also actively participating in multilateral economic and trade activities. For example, China participates in the MFA. Li Ke pointed out: The restoration of China's membership in GATT is needed not only by China itself, but also by member states of GATT.

Dunkel stated that, through several discussions with the departments concerned in China, he understands that the Chinese economic system is unique. There is no precedent in this regard. He would report on his China trip and the economic situation of the country to member states of GATT. In the meantime, he also hoped that trade policy experts from China and GATT would further increase their contacts.

During his stay in China, Dunkel gave a detailed report on the basic principles and activities of GATT. At a symposium organized by the Institute of World Economy and Politics under the Chinese Academy of Social Sciences, Dunkel gave a report emphasizing GATT's principles of nondiscrimination, mutual benefit, free trade, and proper competition. He stressed that the aim of GATT is to reduce or abolish tariff and other trade barriers through the implementation of unconditional and nondiscriminatory most-favored-nation treatment to promote freedom of trade and mutually beneficial, multilateral competition in trade.

Director General Dunkel's visit will promote mutual understanding between the GATT and its contracting parties and China. There is no doubt that this will be beneficial to the efforts of the GATT to play a more active role in world economic affairs.

ADELMAN PREDICTS PROGRESS IN INF TALKS

OW190240 Beijing XINHUA in English 0227 GMT 19 Feb 86

[Text] Washington, February 18 (XINHUA) -- The United States and the Soviet Union are most likely to make some progress in the area of intermediate-range nuclear forces (INF) in their arms control talks, U.S. Arms Control and Disarmament Agency Director Kenneth Adelman told the Philadelphia World Affairs Council today.

He predicted this for several reasons, he said. First, for a while now the INF issue has been "out of the limelight and there is sometimes a reverse correlation between the glare of publicity and the seriousness of Soviet negotiators," said Adelman. Second, he added, there are only a few types of weapons systems primarily involved -- the Soviet SS-20s, the U.S. Pershing IIs and ground-launched cruise missiles. And finally, he said, the Soviets have made suggestions in this direction.

He said the door to agreements "is creaking open" and "it is up to the Soviets to walk through." He added that "there are concrete things we can accomplish in arms control, if the Soviets are willing to buckle down to the business of bargaining." Adelman also cited some "key problems" in arms control.

The first problem, he said, is to separate propaganda from real negotiations. He blamed the Soviet Union by saying that "it would be nice to have a cease-fire on the Soviet propaganda front and more engagement on the negotiating front." The second problem, he said, is "convincing the Soviets that lopsided positions will not get them anywhere and should be dropped." He added that in the present negotiations, the Soviets "continue to count as 'strategic' a number of intermediate-range systems on our side, while excluding comparable systems on theirs." That is "just not acceptable" to the United States, he said. In addition, he went on, the Soviets continue to link cuts in offensive strategic weapons to a complete ban on SDI, the "star wars" program. Such preconditions for an agreement "are clearly unreasonable," he stressed, adding that "they too impede progress" and "must be dropped for the sake of real arms control."

The third problem, he said, is that of verification and compliance. On Gorbachev's new arms control proposal made on January 15, Adelman said, "There is a bit of movement in the current Gorbachev proposal -- movement worth picking up to see whether the Soviets are sincerely interested in moving forward in arms control." However, he added, it "still contains unacceptable elements" and the proposal "did not change previous Soviet positions in strategic or defense and space areas." He said the United States has been carefully studying the proposal, but "it is yet to be seen if the Soviets will follow up in serious negotiations."

HUANG HUA DEPARTS FOR INTERACTION COUNCIL MEETING

OW191049 Beijing XINHUA in English 0910 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- Huang Hua left here today to attend the second meeting of the policy board of the Interaction Council of former heads of governments, to be held between 24 and 26 (February] in Washington, D.C. Huang was former Chinese vice-premier and foreign minister.

Seeing him off at the airport was Ye Fei, vice-chairman of the Standing Committee of China's National People's Congress. Founded in 1983, the Interaction Council is an independent international organization. Huang is a member of the council's policy board.

2-MONTH SURVEY OF WESTERN PACIFIC ENDS

OW191610 Beijing XINHUA in English 1454 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- Chinese oceanographers said today their recent findings about the western Pacific Ocean provide new insights into fishing resources and the interaction of weather and water.

Participating in a joint Sino-U.S. survey of the western Pacific over the past two months, the scientists on board Xiangyanghong No. 14 did research at 251 observation spots on marine physics, chemistry, biology, meteorology and sea currents and the water temperature and salt content of sea water. The survey was completed Tuesday, according to China's State Bureau of Oceanography. The Chinese research ship, which altogether sailed 14,700 nautical miles in the Pacific, is now returning to China through the Balintang Channel north of the Philippines. The ship is scheduled to reach Guangzhou in South China February 24.

Chinese oceanographer Wang Zhongshan told XINHUA that most of the ship's observation projects were being conducted by the Chinese scientists for the first time during the voyage, including obtaining soil samples 4,500 meters deep. He said the new data will be analyzed within two months and exchanged with the U.S. side. U.S. oceanographer Robert Millard said the survey marked the first U.S. study of the western Pacific. He said the voyage showed there existed "vast prospects for cooperation in marine research" between the United States and China. The Chinese ship left Guangzhou for the western Pacific December 12, 1985. The trip is the first of eight of its kind planned for the four-year Sino-U.S. joint survey.

U.S.-ASIA INSTITUTE CONFERENCE ON TRADE OPENS

OW200254 Beijing XINHUA in English 0240 GMT 20 Feb 86

[Text] Washington, February 19 (XINHUA) -- The U.S.-Asia Institute today began its 1986 national conference on trade, technology and security. The two-day conference, sponsored by the non-profit institute in cooperation with the U.S. Department of State, and the U.S. Information Agency, is to focus on "Vision of the Future: The Next Decade in U.S.-Asia Trade." U.S. Secretary of State George Shultz made a brief opening statement to welcome senior officials from the People's Republic of China, Japan, the Philippines, Indonesia, Singapore, Thailand and other Asian areas along with their counterparts from the United States.

This morning's session discussed "trade policies and common interests in the Pacific" and how the economic development strategies of Pacific nations affect their trade policies. Dr S.C. Pu, Chinese representative to the conference who is advisor to the Academy of Social Sciences of China, gave his views. Admiral William Crowe, chairman of the Joint Chiefs of Staff of the United States, is scheduled to address the conference luncheon on "The Security Underpinnings of U.S.-Asia Economic Relations." U.S. Senator Richard Lugar, who had just returned from the Philippines, will discuss "Legislative Perspectives on the Impact of Trade Frictions on U.S.-Asia Relations". U.S. Assistant Secretary of State for East Asian and Pacific Affairs Paul Wolfowitz, who is ambassador designate to Indonesia, will talk on "The Political Dimensions of U.S.-Asia Trade."

Admiral Crowe Speaks

OW200728 Beijing XINHUA in English 0716 GMT 20 Feb 86

[Text] Washington, February 19 (XINHUA) -- The United States must maintain its military superiority in the Pacific to counter Soviet influence there, a top U.S. military man said today.

U.S. Joint Chiefs of Staff Chairman Admiral William Crowe told the U.S.-Asia Institute conference which opened today that "If the Soviet union were one day to achieve a decided superiority in the Pacific, the very foundations of our Asian foreign policy would be threatened -- not to mention the consequences in the event of hostilities." He added it is imperative to support the Reagan administration's long-term defense programs. "Otherwise," he said, "we are simply going to be outstripped by the Soviets." He warned that to ease U.S. military momentum in the region now "would be a grave -- and perhaps this time irretrievable -- mistake."

He admitted that in his view, U.S. deterrent policy in the region has worked well, adding that "if it is to continue to do so, we must match the growing Soviet build-up with a consistent and rational defense policy geared for the long run, instead of one marked by the peaks and valleys which have characterized so much of our peacetime history." Crowe said he is optimistic about the future of the Asian and Pacific region. However, he said there are clouds on the horizon.

On U.S.-China relations, Crowe said Americans now regard China as "a friendly, non-aligned country with which we enjoy a normal diplomatic relationship, a productive dialogue on a host of political issues, an expanding trade." He said that "a secure and successfully modernizing China can be a force for peace and stability in East Asia and the world." Chinese Ambassador Han Xu attended today's U.S.-Asia Institute conference, which will close tomorrow.

RENMIN RIBAO ON AFTERMATH OF SHUTTLE EXPLOSION

HK190701 Beijing RENMIN RIBAO in Chinese 8 Feb 86 p 6

["Roundup" by Fang Min and Zhang Dezhen: "After the Explosion of the U.S. Space Shuttle"]

[Excerpts] The explosion of the U.S. space shuttle "Challenger" has greatly shocked the U.S. Government and public and made a great impact abroad. After the explosion, NASA sent many airplanes and ships to search for wreckage of the space shuttle in the hope of finding the cause of the explosion. President Reagan also ordered the establishment of a commission in charge of the investigation. This accident has not only directly impacted on and disrupted the ambitious U.S. spaceflight project, but will also have an inestimable political, economic, and military influence on the country.

At the moment, the U.S. Government is very cautious in commenting on the cause of the explosion of "Challenger," while the opinions of specialists and the mass media are varied.

It is reported that the Pentagon has been using space shuttles all along to conduct basic experiments relating to the Strategic Defense Initiative, and the Soviet Union is very concerned about whether this accident would hamper the U.S. process for implementing this project. Recently, when talking about the crash of the U.S. space shuttle, TASS even remarked that this tragedy had shown that U.S. space technology was unreliable and the Strategic Defense Initiative was in itself an extremely dangerous idea. KYODO NEWS SERVICE pointed out: If the Strategic Defense Initiative has something inherently wrong, then the position of the Reagan administration, which has always taken the project as an ace in its hands, will be weakened in the negotiations, and this will in turn have a profound military and diplomatic influence on the United States. However, a U.S. undersecretary of defense said: Although the crash of the space shuttle may postpone the "star wars" experiment, it will have no long-term effect on the program.

The long-term influence of the crash of "Challenger" on the United States and its psychological effect on the public are more notable. Some psychologists hold that this event has inflicted a deep mental wound on the United States since the space shuttle is a symbol of the country. Some foreign news agencies even thought that the tragedy of "Challenger" would remain the most profound mental scar that the whole nation has suffered since the assassination of President Kennedy. According to many space science analysts, the explosion of the space shuttle will pose again the knotty problem of the long-term prospects for the manned space flight program, and the old dispute may be raised again in the United States between some scientists who maintain that the country should concentrate on development of unmanned space probes, and members of NASA who hold that the emphasis should be put on manned flight. This dispute will, in turn, affect to a certain extent the debate on and appropriations for the space exploration program in Congress. However, the latest public opinion poll conducted by U.S. NEWS AND WORLD REPORT showed that about two-thirds of Americans believed that spaceflight should be continued and they would "pay the price" for the exploration of space.

Moreover, the "Challenger" event has also had an impact on other countries, particularlyon the space scheme being run by Western European countries. Some big projects, part of Japan's space exploration program, are supposed to be carried out by U.S. space shuttles. The Soviet Union is also developing its own space shuttle on the U.S. model. All these plans have now been affected to some degree.

RENMIN RIBAO ON IMPACT OF OIL PRICE DECLINE

HK130817 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 12 Feb 86 p 6

["Newsletter from America" by RENMIN RIBAO reporter Jing Xianfa: "The Impact of the Decline in World Oil Prices on the United States"]

[Text] Washington, 10 Feb -- World crude oil prices have dropped sharply from $28 a barrel at the end of last year to around $17 at present. The steepness of the drop and its extent have produced a great impact on economic life in the United States.

The current oil price drop has advantages and disadvantages for the United States. In recent years, annual U.S. crude oil imports have stood at 1.21 billion barrels, or one-fourth of total domestic crude consumption. According to an estimate by experts, the current decline in the prices of oil imports will make for a great reduction in production costs in the manufacturing industry. The civil air transportation industry will save one-fifth in fuel costs, with profits doubled. The auto industry, one of the three pillars of the U.S. economy, will also increase output, because of improved sales of large cars. The tourist industry at home will thrive.

But the drop in oil import prices has dealt a severe blow to some other U.S. industries. At present, the domestic oil industry bears the brunt. Since the U.S. oil industry hit its peak in 1981, it has in the past few years been on the decline. There now remain only 1,670 wells still in production throughout the country, a decrease by nearly two-thirds compared with 5 years ago. Since the beginning of this year, the average income of six large oil companies in the front rank has dropped 30 percent. Not long ago, the Houston Worldwide Maritime Corporation, with the largest deepwater well drilling fleet in the country, filed for bankruptcy, unable to pay its debts of $1.1 billion.

Also hit are many commercial banks in the "energy belt." Of the 130-plus commercial banks that closed in the country last year, as many as one-fourth collapsed because of involvement with the oil industry. An expert in banking predicts that 1986 will be "a year of doom" for the "energy belt" and banks having to do with oil.

The sudden drop in oil prices and setback caused to the domestic oil industry have brought about wide fluctuations in the U.S. money market. On 20 January this year, when oil prices dropped below $20 a barrel for the first time, the Dow Jones industrial average on the New York Stock Exchange dropped 27 points in 2 days, to near the historical record of 1500 set last December. Then there was again a sudden rush for cheap oil stocks in large blocks, causing the Dow Jones industrial average to pass the unprecedented high of 1600 in half a month.

The decline in the prices of oil imports has also become an important topic of talk in current U.S. political life. The U.S. Administration and well-known experts in economic circles are studying how to take advantage of the current trend toward an oil price drop on the international market. Congressmen are basically divided into two schools of thought on this. One school holds that it is at present too good an opportunity to let go. The administration should move quickly to increase taxes on imported oil. An increase of $5 in import taxes on a barrel of crude oil means a yield of $40 billion in 5 years, thus helping greatly to reduce the deficit.

Those congressmen opposed feel the imposition of additional import taxes on oil would naturally lead to increased production costs in the country's manufacturing and transportation industries, aggravate U.S. trade relations with oil-exporting countries, reduce the competitiveness of U.S. oil on the international market, and probably bring about a new rise in the U.S. dollar exchange rate, the upward pressure on which has just been relieved. As things now stand, congressmen from various "energy belt" states keenly advocate an increase in taxation, while those from the northeastern states, where the manufacturing industry plays a dominant role and the residents chiefly rely on fuel oil for heat, oppose an increase in the oil import tax.

President Reagan has another view on this problem. Because he has in recent years persistently opposed an increase in taxes, and is especially unlikely to go back on his word before the Democrats with a mid-term congressional election approaching, the President has up to now been unwilling to use an increase in the oil import tax to help balance the budget. He has only promised to give the matter of a tax increase "consideration in light of the whole tax reform plan." Analysts here hold that an increase in the oil import tax provides a rare opportunity to increase government revenues and reduce a swelling deficit. President Reagan is only biding his time where the problem of how to increase taxes and how to categorize such an increase is concerned.

RESPONSE TO EC TRADE REPRISAL POSSIBLE

OW190854 Beijing XINHUA in English 0754 GMT 19 Feb 86

[Text] Washington, February 18 (XINHUA) — The U.S. trade representative's office said that e European Community (EC) trade reprisal was "irresponsible" and noted the U.S. Administration may take "steps" in response to the EC reprisal, the U.S. JOURNAL OF COMMERCE reported today.

An EC spokesman said on January 28 that from February 1986 to November 1989, the community will cut its imports of U.S. fertilizer by 23 percent a year, beef suet by 20 percent and art paper by 8 percent. The EC action is in reprisal for a U.S. import quota announced in late December on European Community semi-finished steel. According to the report, a U.S. official said the administration stands by the U.S. trade representative's earlier statement that called the EC counteraction a "setback" to U.S.-EC trade relations and a "violation" of U.S.-EC steel trade accords.

NEW 'MIR' SPACE STATION LAUNCHED INTO ORBIT

OW200724 Beijing XINHUA in English 0713 GMT 20 Feb 86

[Text] Moscow, February 20 (XINHUA) -- The Soviet Union launched today a "third generation" space station, the official news agency TASS reported. The new Mir (Peace) space station will join the Salyut-7 space station which has been in orbit around the earth since April 1982, and will be manned in a later stage.

The station is equipped with "a novel docking arrangement consisting of six dock-up units," TASS said. The new station was described by general Aleksey Leonov, deputy head of the training center for Soviet cosmonauts, as "a third-generation space laboratory." He said previous Salyut stations had become too small for the kind of "large-scale production activities in outer space."

SOVIET ECONOMIST URGES FLEXIBLE PRICE POLICY

OW162108 Beijing XINHUA in English 1906 GMT 16 Feb 86

[Text] Moscow, February 16 (XINHUA) -- A Soviet economist has criticized low food prices and housing rents in their country, and called for a flexible price policy. In an article carried in the monthly ECONOMICS AND ORGANIZATION OF INDUSTRIAL PRODUCTION in its first issue of 1986, Dr. D.M. Kazaktvich proposed immediate rises in the prices for food and housing rents. State subsidies for the two items should be cancelled so as to be used to increase wages or to help big families, he wrote.

The retail prices of bread, flour and sugar have remained unchanged for 30 years, and the prices of meat and milk are the same as 23 years ago. It is said that meat prices equal only half or one-third of the production cost at present. The government has to spend about 20 billion roubles (about 26 billion U.S. dollars) annually. Meanwhile, housing rents in the Soviet Union, which remained at the level of decades ago, are not enough even to cover one third of the cost for maintenance and management. The state subsidies for housing rents run at six billion roubles (about 7.8 billion U.S. dollars) a year.

Dr. Kazaktvich said that this price system had given rise to various defects. For instance, as bread is cheap, many people and even some state farms buy bread to feed domestic animals and poultry and then sell meat for high prices at free markets so as to make money for themselves. In addition, as workers' monthly wages have risen by 118 percent since 1962 while food prices remain low, a big proportion of their income was spent on high-grade goods, such as fashion clothes, shoes and furniture. As a result, the supply of these goods fell short of demand and they have become more and more expensive, beyond the reach of the low wage earners.

According to a draft plan for economic development for 1986-1990 and through the year 2000, the Soviet Union intends to improve the retail price system. This serves as a hint that Moscow may probably turn to a more flexible price system for food and housing rents.

RENMIN RIBAO REPORTS ON ARRESTS IN SOUTH KOREA

HK200133 Beijing RENMIN RIBAO in Chinese 17 Feb 86 p 6

[Report: "Sixteen Democrats Arrested in South Korea"]

[Text] After the South Korean democrats Kim Tai-chung and Kim Yong-sam were put under house arrest and later arrested, another 16 democrats were arrested on 14 February. These 16 democrats were arrested when they broke through the police cordon to see Kim Tai-chung, who was then under house arrest.

Since 12 February, about 1,000 antiriot police have surrounded Kim Tae-chung's residence. Kim could only view the outside through a window. Kim Tae-chung and Kim Yong-sam were put under house arrest and later arrested after they attended the "10-million-signature movement" demanding a direct presidential election on 12 February. Although the police had threatened that all those participating in the movement would be sentenced to 7 years' imprisonment, the democrats still insisted on carrying out the movement and demanded that the present electoral system, which is beneficial to Chon Tu-hwan, be changed.

RENMIN RIBAO CITES DPRK ON U.S. EXERCISES

HK200129 Beijing RENMIN RIBAO in Chinese 15 Feb 86 p 6

["Special dispatch" by correspondents Liu Zhengxue and Feng Zhiyuan: "The DPRK Calls for a Halt to the U.S.-South Korean Military Exercises"]

[Text] Pyongyang, 14 February -- Yesterday Kim Hwan, member of the Political Bureau of the KWP and secretary of the party Central Secretariat, stated here that to eliminate the danger of a war and safeguard peace on the Korean peninsula and to develop the hard-won North-South dialogue, the KWP and the DPRK Government have made all sincere efforts.

Kim Hwan once again accused the United States and the South Korean authorities of conducting joint military exercises, bringing an ever growing tension to the peninsula. He declared that the 11th Plenary Session of the 6th KWP Central Committee held from 5 to 8 February had concentrated on the discussion of some major issues concerning the state's peaceful construction.

He pointed out: This has fully demonstrated the correct stand taken by the KWP and Korean Government of really hoping for an easing of the tense situation and creating a favorable atmosphere for talks.

Kim Hwan said: Korea is an integral whole. The Korean people long to live in harmony in the land of a united country. Therefore, the United States should squarely face this aspiration and will of the Korean nation, halt its military exercises, and withdraw its troops and nuclear weapons from South Korea lock, stock, and barrel.

CGDK LEADERS REAFFIRM SIHANOUK'S POSITION

OW130845 Beijing XINHUA in English 0825 GMT 13 Feb 86

[Text] Beijing, February 13 (XINHUA) -- The Democratic Kampuchea side has reassured that Samdech Norodom Sihanouk is the president of Democratic Kampuchea and will remain in the position even after an eventual Vietnamese military pullout.

According to Radio Democratic Kampuchea today, Khieu Samphan, vice chairman of Democratic Kampuchea and chairman of the Democratic Kampuchea side, and Son Sen, vice chairman of the Democratic Kampuchea side, signed a statement yesterday which reiterated the Democratic Kampuchea side's position on the role of Samdech Norodom Sihanouk and his National United Front for an Independent, Neutral, Peaceful and Cooperative Kampuchea (Nufinpcc), formed in March 1981. The statement stressed that the Democratic Kampuchea side has taken the Nufinpcc as a political force within a great united nation working for national defense and reconstruction. It will continue to do so in the future, the statement added.

CGDK RADIO STRESSES COALITION GOVERNMENT UNITY

OW191047 Beijing XINHUA in English 0848 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- The Democratic Kampuchea side, one of the three forces forming the anti-Vietnamese Coalition Government, announced today that it will do nothing to harm the national unity in the present and future struggle against the Vietnamese occupation.

Radio Democratic Kampuchea said in an article broadcast today that the national unity of the Kampuchean people has frustrated Vietnam's seven-year-old war of genocide and annexation against Kampuchea. The tripartite Coalition Government is better coordinated and has foiled many times Hanoi's ploys to sow discord among the three forces fighting the Vietnamese troops since it was founded in 1982, the radio said. The national unity is still essential to the country's integrity and survival, it added.

REPORTERS VISIT CAMBODIAN REFUGEE CAMP

HK170520 Beijing CHINA DAILY in English 17 Feb 86 p 4

[By Zhang Zesun and Yang Yi]

[Text] Bangkok -- Rows upon rows of rickety bamboo huts, each housing four to five families, stand by the dusty road. Sun-baked, haggard men and women and skinny children meet the eye everywhere. There is no sewage, no plumping, no electricity. "These people exist on minimum subsistence," a Thai Foreign Ministry official told a group of Beijing-based foreign diplomats, two journalists from CHINA DAILY and one from the ECONOMIST, who visited Thailand from January 28 to February 6.

This is Nong Chan Camp at Site II of Ta Phaya District of Prachin Buri Province along the Thai-Kampuchean border. Here are crowded 146,000 Kampucheans who have fled the fighting in their own country. Thirty percent of the refugees are less than 5 years old, either born in the camp or during their parents' trek to Thailand. Everywhere are men, women and children on crutches. They have stepped on land mines planted by the Vietnamese in the border area. "About 1.2 percent in Site II have lost their legs, quite a high percentage," said John Moore, a representative of the United Nations High Commissioner for Refugees (UNHCR).

The refugees' condition is made all the more wretched by the possibility that they will have no move again if fighting erupts. Though there are now only two Vietnamese divisions and one Heng Samrin division deployed on the border, other Vietnamese divisions in the rear can quickly move to the Thai-Kampuchean border, according to the Thai military.

Many of the refugees have moved seven times in three years, according to Moore. Try to imagine, Moore said, if seven times in three years you had to pick up your babies, old women and all your belongings and get moving. It is a political disaster caused by men, not a natural disaster caused by nature, Moore said.

According to Thai officials, there are about 230,000 Kampucheans inside Thailand at present. Thailand, one official said, cannot push them out to be killed or become victims of Vietnamese aggression. In addition to humanitarian reasons, Thailand has accepted these people as an obligation it owes to the world's community and, together with UNHCR and other international organizations, has tried to provide them with shelter, food, sanitation and education, the official said.

The root cause of the Kampuchean refugee problem is the invasion of the country by Vietnam, a Thai Foreign Ministry spokesman said. Even though the Vietnamese have said that they welcome negotiations for their repatriation, these people are still on the border. "We all want to return to Kampuchea, but we don't want to live under Vietnamese rule," said Ponn Yoyomy, who fled Phnom Penh in 1979 when the Vietnamese first invaded. She is now president of Khmer Women's Association in Site II.

"The Vietnamese say that details of repatriation can be decided later. But the point is that we have these people here now. I don't think they'll return to Kampuchea under the present circumstances. We have to create conditions inside Kampuchea so that these people would be willing to be repatriated," the Thai Foreign Ministry spokesman said.

The withdrawal of all Vietnamese troops and the right of self-determination of the Kampuchean people are basic to resolving the Kampuchean issue, including the refugee problem, he said. This is a basic position of the Association of Southeast Asian Nations (ASEAN).

Vietnam has agreed to withdraw, but not till 1990. "Why 1990? Why not tomorrow?" the spokesman said. By 1990, the Vietnamese hope to consolidate the Heng Samrin regime that they have installed in Phnom Penh, he said. In fact, Vietnam hopes to Vietnamize Kampuchea by them, the spokesman said. "This is what we see behind Vietnam's proposed withdrawal by 1990."

Vietnam has also agreed to self-determination by the Kampuchean people, he said. But that only means that they insist the Kampuchean people have already chosen Heng Samrin as their legitimate representative.

Thailand, on the other hand, considers that the Heng Samrin regime was installed by the Vietnamese, not freely chosen by the Khmer people, the spokesman said. "We believe that self-determination means the people should have the opportunity to exercise their rights with international supervision assuring that they can do so freely."

Turning to the need for international help, the spokesman said that if the world's nations abide by the principles of the UN Charter, they will condemn aggression against a small sovereign state and make Vietnam aware that it cannot have its way in the region. This is also the basic position of ASEAN, he observed.

Thailand has no animosity against Vietnam but is looking for peaceful co-operation in the region and a political settlement of the Kampuchea issue, Thai Deputy Prime Minister and Foreign Minister Sitthi Sawetsila said at a meeting with Beijing-based diplomats. "We have enough problems and we don't want to create any new ones," he said.

SIHANOUK ARMY COMMANDER ON CAMBODIAN DEVELOPMENTS

OW191616 Beijing XINHUA in English 1458 GMT 19 Feb 86

[Text] Hong Kong, February 19 (XINHUA) -- Prince Norodom Rannarit, supreme commander of the Sihanoukian Nationalist Army (ANS), said in Kuala Lumpur today that he was hoping for a joint committee to coordinate military plans of the forces of the factions in the Coalition Government of Democratic Kampuchea.

A report of the Malaysian news agency BERNAMA said that Rannarit arrived in Kuala Lumpur yesterday representing his father Samdech Norodom Sihanouk, president of Democratic Kampuchea. Rannarit told a press conference in Kuala Lumpur today that the ground forces of the tripartite coalition had already cemented their cooperation in a situation where their survival was uppermost in their minds. Rannarit denied that there had been any clashes between the forces of Democratic Kampuchea and the ANS, adding that in late January the two forces cooperated in an attack on a Vietnamese military base.

As for the Vietnamese in Kampuchea, Rannarit said they are only in control of main towns and certain key military positions. The Heng Samrin forces have refused to let Vietnamese military advisers be in their company and more and more of them have defected to the resistance, he added. He also disclosed that the resistance forces enjoyed support from among high-ranking officials of the Heng Samrin regime.

LAOS, U.S. BEGIN MIA SEARCH AT CRASH SITE

OW191109 Beijing XINHUA in English 0912 GMT 19 Feb 86

[Text] Hanoi, February 19 (XINHUA) — Laos and the United States began Monday to search for the remains of the Americans missing in action (MIA) in the Vietnam war, the Lao Foreign Ministry said today. In a press release, the Foreign Ministry said the site about 140 kilometers east of Savannakhet was the place where a U.S. AC-130 Hercules gunship crashed with 14 crewmen aboard in 1972.

A team of U.S. technical experts arrived in Vientiane recently. They have discussed with their Lao counterparts details about the second joint excavation. The remains of 13 missing Americans were found late last year in the first joint undertaking at another plane crash site.

PHILIPPINE BISHOPS CONDEMN ELECTION FRAUD

OW141312 Beijing XINHUA in English 1303 GMT 14 Feb 86

[Text] Manila, February 14 (XINHUA) -- The Catholic Bishops' Conference of the Philippines (CBCP) today made a strong-worded statement condemning the "unparalleled" fraudulence and irregularities in the February 7 presidential elections. The statement was issued at a packed press conference after two days' discussions by the Catholic group.

The statement listed the irregularities and fraud including systematic disenfranchisement of voters, widespread and massive vote-buying, deliberate tampering with the election returns, intimidation, harrassment, terrorism and murder. The CBCP emphasized that "according to moral principles, a government that assumes or retains power through fraudulent means has no moral basis. For such an access to power is tantamount to a forcible seizure and cannot command the allegiance of the citizenry." It said the CBCP advocates non-violent struggle for justice -- active resistance of evil by peaceful means to right the wrongs. CBCP called on the people to come together and act together to ensure the truth to prevail and the will of the people to be fully respected.

This is the first official statement issued by the influential bishops' group after the February 7 elections. The CBCP position may have notable impact on the current political situation of the country, observers here said.

RADIO BEIJING REPORTS MARCOS' CBS INTERVIEW

HK190355 Beijing International Service in Tagalog 1130 GMT 18 Feb 86

[Text] In an interview with the Columbia Broadcasting System of the United States on 16 February, Philippine President Ferdinand Marcos said that he will seek renegotiation of U.S. use of military bases if the American Government cancels aid to his country. He claimed that the United States owes the Philippines some $70 million for its use of the Clark and Subic Bay bases, the largest military installations outside the United States, thus there is urgent need for renegotiation over the bases.

Meanwhile, President Marcos met with President Reagan's special envoy Philip Habab to discuss post-election problems. Sources said that Habab will make a report to Reagan after his return to the United States in order for the United States to formulate policy options towards the Philippines.

Habib also met with opposition leader Corazon Aquino and her running mate Salvador Laurel. Habib arrived in Manila on 15 February, shortly before the Batasan Pambansa proclaimed the winners of the recent elections.

MARCOS RAPS FOREIGN INTERVENTION IN PHILIPPINES

OW191856 Beijing XINHUA in English 1837 GMT 19 Feb 86

[Text] Manila, February 19 (XINHUA) -- President Ferdinand Marcos has shown irritation at apparent foreign intervention in the Philippine internal affairs, according to a report of the PHILIPPINE NEWS AGENCY. In his talks with newsmen at the presidential palace here today, Marcos said he had authorized Acting Foreign Minister Pacifico Castro to clarify with other governments the position of the Philippines on foreign observers.

"We will encourage observers to come and see what is happening inside our country but we take a strong stand against intervention in the internal affairs of our people," he said. "There is a limit in allowing even friends and allies to degrade and demean institutions like the National Assembly and the presidency of the Philippines," he added. Marcos said the activities of the National Assembly, the power of the assembly to proclaim the president, as well as variuos policies of the government in relation to enforcement of the laws and in the maintenance of peace and order are all internal affairs of the Philippines.

ZHU QIZHEN ATTENDS POLITICAL TALKS IN AUSTRALIA

OW191609 Beijing XINHUA in English 1452 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- Chinese Vice-Minister of Foreign Affairs Zhu Qizhen and his party left here this evening for Australia to attend the fourth round of political talks between officials of Chinese and Australian foreign ministries.

XINHUA 'FEATURE' ON BULGARIAN WORKERS IN USSR

OW151050 Beijing XINHUA in English 0904 GMT 15 Feb 86

["Feature: Bulgarian At Work in Soviet Forests -- (by Sun Weixi and Wang Jinbai)" -- XINHUA headline]

[Text] Sofia, February 15 (XINHUA) -- For ordinary Bulgarians, the temptation is not small: a monthly salary of 800 rubles (about 1,000 U.S. dollars) plus considerable bonuses and a few hundred leva (one lev equals one dollar) paid at home. For this one has only to go to the Soviet Union and cut trees.

In the past 17 years since Bulgaria agreed to help the labor-short Soviet Union develop its timber industry, more than 70,000 Bulgarian workers have been to that forest-rich country, mainly to Komi, an autonomous Soviet republic, about 1,000 kilometers northeast of Moscow. The felling of Soviet forests by Bulgarians also has proved beneficial for the Bulgarian Government as it has already obtained millions of cubic meters of timber from its partner. In 1984 alone, Komi timber met 57.4 percent of Bulgaria's total needs. To facilitate the joint efforts, the two governments have launched a joint venture -- a lumber corporation in Komi in addition to three modern villages for lumberjacks, which are dotted with department stores, schools, nurseries, cinemas and coffee shops for the 12,000 Bulgarians currently working in the region.

Komi, an administrative division of the Soviet Union in the Russian Republic, has an area of 415,900 square kilometers covered by tundra in the north and coniferous forests in the south. The region's harsh subarctic climate restricts agriculture, its economic activity is limited to mining and forest industries. A major labor-shortage has precluded the Soviet Union from tapping the region's natural resources on a large scale.

To attract more workers to Komi, their monthly salaries have, in recent years, been raised from 200 rubles (about 250 dollars) up to 800 plus a bonus system and extra pay at home. Some of the migrant workers can earn as much as 1,000 rubles (about 1,200 dollars), a real incentive for Bulgarians who at home would earn an average monthly income of 202 dollars, according to 1983 statistics. Bulgarian lumber workers may spend their money in the Soviet Union to buy cars and other consumer goods not available in Bulgaria. The Soviet Union has allotted the Bulgarians some 22,600 square kilometers of forest with an estimated volume of 226 million cubic meters of timber. At the present speed of development, the cutting may well last 50 years.

'ROUND-UP' ASSESSES HUNGARIAN TRADE FOR 1981-85

OW151324 Beijing XINHUA in English 1307 GMT 15 Feb 86

["Round-up: Favorable Balance Attained for Hungary's Trade -- (by Zhou Dongyao and Li Shuhua)" -- XINHUA headline]

[Text] Budapest, February 15 (XINHUA) -- Hungary, whose economy relies heavily on foreign trade, recorded a surplus in its trade with both the Eastern bloc and other trading partners from 1981 to 1985 though this was achieved at the expense of national income and industrial production which might impede a faster economic growth.

As a country which yields more than half of its national income by way of trade, Hungary suffered a massive trade deficit with countries outside the Eastern bloc which ran as high as 50 billion forints (about one billion U.S. dollars) during the 1976-1980 period. Huge foreign debts were incurred, accumulating to billions of U.S. dollars, as oil prices soared, raw materials became more expensive and the country had to import more from the West than to export. To reverse this adverse situation, which was a major task set for the Sixth Five-Year Plan period (1981-1985), Hungary adopted drastic measures, including setting ceilings on imports, increasing exports, enhancing the competitiveness of its products and seeking new markets.

According to figures published by the country's statistics office earlier this month, compared with 1980, exports in 1985 rose by 27 percent while imports increased by six percent. Hungary has enjoyed a foreign trade surplus in all the years beginning 1982, and in the following year, it began to pay its debts. By the end of 1985, it ran a trade surplus of 255 million rubles with Eastern bloc countries and 2.2 billion U.S. dollars with other countries, achieving a significant improvement in its foreign trade. All this has earned Hungary growing credibility, making it possible to have its short-term credit at a high interest rate rescheduled to a long-term credit at a lower interest rate.

The country's industrial sector has played its due part in balancing the foreign trade by restructuring production, improving management and dividing big enterprises into smaller ones so as to make them more efficient. As a result, higher productivity has been gained with per capita output value in 1985 registering an 18 percent increase over 1980.

Hungary's agriculture, which has long enjoyed the best performance record among the Eastern bloc countries, has also contributed to the improvement in the country's foreign trade balance. The total value of production in 1981-1985 chalked up a 12 percent rise over the previous five years and now a quarter of the country's farm produce are for export.

However, Hungary has paid dearly for these accomplishments. During the 1981-1985 period, its citizens were asked to settle for their existing living standards and domestic consumption declined. Investments were lower than five years ago, including those for upgrading badly-needed technologies and scientific research. Consequently, the country's national income was up seven percent from 1980 while the plan had envisaged a 14 to 17 percent growth and industrial output went up only by 12 percent, falling short of the planned target of a 19 to 22 percent increase.

The policy of setting import quotas and restricting domestic development to boost trade only serves as stopgap measures and will cause continued lagging in technology and further impair the competitiveness of products. Hungarian economists are fully aware of the situation. The current (Seventh) Five-Year Plan (1986-1990) gives priority to attaining better economic results which will be the best way to obtaining a bigger trade surplus and a faster economic development. Nevertheless, analysts here believe that correct policies and the people's response remain the key to achieving Hungary's goals though the international economic situation has become more favorable for the country than in the mid and late 1970s.

FOREIGN MINISTRY OFFICIAL MEETS IRANIAN MINISTER

OW200134 Beijing XINHUA in English 0127 GMT 20 Feb 86

[Text] Tehran, February 19 (XINHUA) -- Iranian Foreign Minister 'Ali Akbar Velayati met with visiting Advisor of the Chinese Foreign Ministry Gong Dafei here today and they discussed issues of common concern as well as bilateral relations between the two countries. Gong Dafei, who arrived here yesterday at the invitation of Iranian Deputy Foreign Minister Hoseyn Sheykh ol-Eslam, held the first round of talks with him earlier today.

MAURITANIA'S TAYA LEAVES NOUAKCHOTT FOR BEIJING

OW191704 Beijing XINHUA in English 1651 GMT 19 Feb 86

[Text] Nouakchott, February 19 (XINHUA) -- Mauritanian head of state Maayouyia Ould Sid Ahmed Taya left here today for Beijing on a six-day official visit to China at the invitation of Chinese President Li Xiannian. This is Taya's first visit to China since he took power in December 1984. He is expected to discuss current international issues and ways to strengthen bilateral relations during his meetings with Chinese leaders.

MURPHY CITED ON U.S. POSITION ON PALESTINIANS

OW191901 Beijing XINHUA in English 1850 GMT 19 Feb 86

[Text] Cairo, February 19 (XINHUA) -- U.S. Assistant Secretary of State for Middle East Affairs Richard Murphy made it clear today that the U.S. will not recognize the Palestinian people's right to self-determination before the PLO recognized the U.N. Security Council Resolutions 242 and 338, which implies recognition of Israel.

He was quoted by the QATAR NEWS AGENCY as saying in a telephone interview that if Washington acquiesced in the PLO leaders' demand for recognizing the right of Palestinian people to self-determination, it would be tantamount to U.S. agreement to an independent Palestinian state. Such an option was not acceptable to Washington which seeks Palestinian self-rule on the West Bank and Gaza Strip in a confederation with Jordan, he said. Washington still insists that the PLO should recognize U.N. Security Council Resolutions 242 and 338, renounce violence and accept the principle of negotiating with Israel, he said.

PLO Chairman Yasir 'Arafat has repeatedly declared in his recent talks with Jordanian leaders in Amman and Egyptian leaders in Cairo that the PLO cannot recognize the U.N. resolutions which implies recognition of Israel's right to exist unless the U.S. recognize the Palestinian people's right to self-determination.

U.S.-LIBYAN ENCOUNTERS OFF COAST REPORTED

OW151248 Beijing XINHUA in English 1232 GMT 15 Feb 86

[Text] Cairo, February 15 (XINHUA) -- American and Libyan warplanes have confronted each other off the Libyan coast in an average of 35 times a day since the beginning of U.S. military maneouvers in the area on February 11, according to Cairo newspaper reporters today quoting U.S. Defence Department sources. The sources said that the Libyan fighter planes did not show any hostility towards U.S. planes so far.
The Libyan warplanes and naval units started their military exercises off Libyan coast with live ammunitions after the U.S. announced its aircraft carriers, the Coral Sea and the Saratoga, would carry out flight operation off the Libyan coast. The area where the Libyan and U.S. military exercises are made simultaneously is within the Tripoli flight information region outside the Gulf of Sidra. Radio Tripoli reported the military exercises of the two countries in separate stories and made no mention of the encounters of the warplanes of the two sides.

TRADE UNION DELEGATION LEAVES FOR MEXICO

OW191058 Beijing XINHUA in English 1052 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- A Chinese trade unions delegation led by Luo Gan, vice-president of the All-China Federation of Trade Unions, left here for Mexico by air today. At the invitation of the Confederation of Trade Unions of Mexico, the delegation will attend the confederation's 11th national congress and the celebrations for the 50th anniversity of the birth of the confederation in Mexico City. After that, the delegation will tour Colombia and Venezuela.

BEIJING RECEPTION MARKS MEXICAN ARMY DAY

OW191604 Beijing XINHUA in English 1442 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- Luis Montiel Lopez, military and air attache of the Mexican Embassy in Beijing, and his wife gave a reception here this evening in celebration of Mexican Army day. Among those attending the reception was Han Huaizhi, deputy chief of the General Staff of the Chinese People's Liberation Army.

CANADA RELAXES CONTROLS ON EXPORTS TO PRC

OW151056 Beijing XINHUA in English 0911 GMT 15 Feb 86

[Text] Ottawa, February 14 (XINHUA) -- External Affairs Secretary Joe Clark announced today that Canada had joined with its NATO allies and Japan in relaxing export controls on certain strategic goods to the People's Republic of China. These controls, based on the export and import permits act, are aimed at civilian strategic equipment and other high technology goods. Since 1979, the Paris-based coordinating committee, whose mandate is to coordinate the export control programs of its members as they relate to strategic and military goods, has followed a policy of increasing its favourable consideration of requests for exports of strategic goods to China. Recently there has been a dramatic increase in China permit applications.

Clark noted that many of the priority areas in China's development strategy coincide with strong capabilities in Canadian industry, particularly in such fields as agriculture, forestry, hydro, natural resources development and telecommunications. This initiative to ease export controls to China complements the renewal of the trade agreement between Canada and China announced on July 16, 1985 by International Trade Minister James Kelleher. Following consultations with China in Beijing last December, Canada now approves exports of certain types of machine tools, semi-conductors, test equipment, lasers, computers and telephone exchanges, totalling more than twenty categories of strategic goods.

CHINA DAILY COMMENTATOR ON EVENTS IN HAITI

HK200339 Beijing CHINA DAILY in English 20 Feb 86 p 4

[Article by CHINA DAILY Commentator: "Haiti's Events"]

[Text] Recent dramatic developments in the Caribbean island country of Haiti have drawn of social justice and progress is relieved by the fall of the Duvalier regime and the transition now under way in Haiti.

Haiti was the first black nation in the world to win independence. Yet, after 28 years of the harsh and corrupt rule of the Duvaliers -- father and son -- Haiti is the poorest country in the Western Hemisphere, with a sharp and wide gap between the haves and have-nots.

The per capita annual income of more than 80 percent of the population is $100, while fewer than one percent rake in about half the total national income. Nine out of every 10 persons are illiterate. More than 100 out of every 1,000 children die before their first birthday. Three-fourths of the labour force are unemployed or partly employed.

At the top of the ladder, the Duvalier family and their cronies lived in incredibly luxurious and profligate life. Their corruption was so far-reaching that they even appropriated Haiti's international credits to line their own pockets. Great have been the grievances of those in what and long has the whole country been in a state of ferment.

In the face of public discontent and protest, the Duvaliers consistently resorted to terror to muzzle the people. Their most notorious tool was the shadowy and ubiquitous Tontons Macoutes secret police force that unscrupulously used beatings, torture and murder to throw fear into the people and keep them under control. But terror is a double-edged sword. If it intimidates the people it antagonizes them too. When they can no longer contain their wrath, those who wield the weapon of terror must pay the price. Last summer's national referendum to confirm the life-time presidency of Duvalier was a fraud and a farce that further angered the people. It led to demonstrations in the northwestern coastal city of Gonaives. Brutal killings by the police only poured oil on the fire and in no time angry protest swept the nation. Workers went on strike, businessmen closed their stores and students suspended classes. The people, rising to assert their basic rights, soon brought Duvalier to bay. He had no choice but to pack up and flee the country that he had tyrannized for 15 years.

It is worth mentioning that Duvalier is having a hard time to find a country that will grant him asylum. This shows how the people in the world detest a dictator like him.

The Duvalier era is over for the Haitians. A military-civilian national council has been formed to take the reins of government temporarily. In the first week after its establishment, it announced that it had freed all political prisoners and would disband the Tontons Macoutes and dissolve the Duvalier rigged 1984 parliament. As an interim leadership, the council also pledged to hold elections and turn over power to an elected government.

Haitians hail the end of the Duvalier dynasty as the country's second independence. It is legitimate for them to demand that the nation be ruled by new, honest, competent and patriotic people. And it follows that they want their liberation to be total and definitive.

XINHUA ASSESSES PRESIDENT REAGAN"S GRENADA VISIT

OW191655 Beijing XINHUA in English 1635 GMT 19 Feb 86

["Background: Reagan's Visit Amid Growing U.S. Interest in Caribbean" -- XINHUA headline]

[Text] St Georges, Grenada, February 19 (XINHUA) -- U.S. President Ronald Reagan will arrive here tomorrow for a four-hour visit. High on the agenda is his scheduled meeting with nine Caribbean Community (Caricom) leaders to discuss regional, economic and security matters. The trip is the first ever by an American president to Grenada and Reagan's second to the Caribbean. He toured Jamaica and Barbados in 1982, two years after he assumed the U.S. presidency.

Reagan's visit comes 28 months after the U.S.-led invasion of Grenada in October 1983 which toppled the People's Revolutionary Government of Prime Minister Maurice Bishop. The invasion took place under the pretext that Grenada's Point Salines International Airport, then under construction with Cuban aid, would be used as a military airport by Cuba and the Soviet Union.

The U.S. invasion resulted in a year-long interim administration backed by U.S. and Caribbean "peace-keeping forces" until Herbert Blaize's new National Party came to power after the December 1984 general elections. Most of the remaining U.S. military personnel were withdrawn in mid-1985 and all foreign troops pulled out of Grenada last September.

On Thursday President Reagan will attend a ceremony here in memory of 19 U.S. soldiers killed during the invasion. The invasion was regarded as a "military triumph" by the Reagan administration which has since strengthened its influence in the Caribbean, while bearing in mind the region's strategic and economic importance. U.S. officials acknowledge the fact that two-thirds of U.S. oil imports and many other strategic minerals shipped to the United States pass through the Panama Canal, the Caribbean and the Gulf of Mexico. U.S. Gulf ports and Caribbean shipping lanes handle almost half of U.S. foreign trade shipping tonnage.

Before the invasion of Grenada, the U.S. had a small program of military assistance geared to Caribbean island nations. After the invasion, it implemented an extensive military training and aid program in the eastern Caribbean, accompanied by the transfer of arms and equipment including submachine guns, telecommunications systems and deepwater coast guard vessels, according to a U.S. research institution. U.S. diplomats put U.S. military assistance to the eastern Caribbean for the past two years at about 35 million U.S. dollars, and U.S. aid to Grenada has totalled 72 million dollars since the invasion. However, countries in the region have called for more U.S. economic commitment and less military involvement in the Caribbean.

The English-speaking Caribbean, hard hit by sluggish world demand for its sugar, bauxite and other products, has been experiencing severe economic difficulties. St. Kitts and Nevis' Prime Minister Kennedy Simmonds has said the Grenada meeting with Reagan should focus on economic and trade issues. The exclusion of Caribbean textiles from the duty-free import list of the U.S.-sponsored Caribbean Basin Initiative and the cut in quotas of Caribbean sugar exports to the United States are typical complaints from the region. Some political analysts see Reagan's visit as a merely symbolic gesture to show continuing U.S. interest in the region, others predict that he will bring news of a slight easing of U.S. protectionist measures in a move to reduce the region's economic dissatisfaction.

SATELLITE LINKS BEIJING WITH ANTARCTIC STATION

OW141414 Beijing XINHUA in English 1320 GMT 14 Feb 86

[Text] Beijing, February 14 (XINHUA) -- A telecommunications link via satellite between Beijing and the Chinese "Great Wall" research station on King George Island in Antarctica went into operation Thursday morning. Callers from both ends could be heard clearly, said an official from the Chinese National Committee for Antarctic Research.

The committee and the Ministry of Posts and Telecommunications jointly sent a message of congratulations from here to the Chinese scientists at the other end. Previously, communications between Beijing and the station were conducted via shortwave radio.

REFORM PROSPECTS FOR YEAR OF TIGER EXAMINED

HK190509 Beijing LIAOWANG in Chinese No 5, 3 Feb 86 p 4

[Commentator's article: "Outlook For the Year of the Tiger"]

[Text] The year 1986, the first year of China's Seventh 5-Year Plan, happens to be "the Year of the Tiger" according to Chinese lunar calender. It is said that a tiger is full of vigor; therefore, it is indeed a good omen.

The following are lines from Zhang Lei, a poet of the Song Dynasty: "White grass bends low when the fierce north wind blows. Is a tiger not going to move quickly when it stares!" These lines give a vivid description of the vigor and ferocity of a tiger. It is to some extent like the image of today's China, which is focusing on one goal and accumulating strength to carry out the struggle.

By focusing on one goal, we mean that millions of Chinese people are striving for the four modernizations with one heart and one mind and are determined to make their country and nation rank among the advanced countries of the world. By accumulating strength to carry out the struggle, we mean that in a short period of 7 years, our country has already made vigorous and quick progress, but the great latent energy in our nation is far from being entirely released. Precisely because of this, China, which is still poor and backward in many spheres, is regarded in the contemporary world as a country with great vitality, hope, and boundless prospects. Many politicians, economists, scientists, and even military scientists are assessing with their respective yardsticks, which sometimes conflict with one another, and forecasting the probable features of China and China's influence on the development of world history 10 or 20 years from now.

In the Year of the Tiger, when China reviews its past development, it sees that it has forged ahead at a steady, quick pace and when it forecasts the future, it will continue to forge ahead at a vigorous, quick pace.

We can forecast that in 1986, China will achieve clear and sustained progress in two spheres. In other words, it will score magnificent achievements in both economic structural reform and the construction of socialist spiritual civilization. The CPC Central Committee has already set the task that, in carrying out the economic structural reform in the new year, we should make great efforts to consolidate, digest, replenish, and improve the reform measures we have already taken. If we say that in the past 2 years, China took "a brave step" in carrying out its reform, then now it is taking a steady and deepening step. Some people have misunderstood and think that "we will mark time this year." No, that is not true. Digesting, improving, and replenishing also means forging ahead. Some people say that this year, we can "relax for a while." No, we cannot. There is a great deal of painstaking and arduous work to do in straightening various relations and giving play to the due economic results of our reform measures. Moreover, we should accumulate strength, make prudent investigations, and prepare for the next step of reform. Some people are excessively suspicious and ask: Do we stop the reform because of the emergence of some problems? Over the past few years, China's industry, agriculture, and economy have developed vigorously, its national strength has grown, and its people are full of heroism and courage. All this indisputably proves that the CPC Central Committee's policy decisions on the reform are correct, the reform measures are appropriate, and the results of the reform are substantial. We should proceed with our reform steadfastly with firm confidence, and we should continue to perfect and develop the reform in the process of our work. Except for the reform, there is no other way for us to reinvigorate China. Problems and shortcomings will always emerge, but we need only to correct them and improve, replenish, and perfect our reform. Now, the reform we are carrying out is like a tree that has luxurious branches, leaves, and thousands of young buds. It needs care such as pruning, application of fertilizer and pesticide, loosening of soil, and prevention of diseases.

We should never neglect these aspects of our work. If we do the work well, we will create a situation of great achievement and prosperity!

While grasping the reform and construction, we should also grasp the construction of our socialist spiritual civilization. Simultaneously grasping and pushing forward the socialist material and spiritual civilizations is a strategic principle that the CPC Central Committee has already clearly adopted. It is a major issue vital to the prosperity and success of socialism. The CPC Central Committee has decided that in 1986, in the sphere of the construction of our socialist spiritual civilization, we should grasp four aspects of our work. They are: To grasp education in the situation and our policies, to grasp the rectification of party style, to grasp correcting the guiding thought in our ideological, cultural, and theoretical circles, and to grasp government and legal work. As Comrade Hu Yaobang said well: Under the circumstances of having a correct line, a definite blueprint, and a series of fine conditions, a vital issue is that we should continue to inspire the revolutionary spirit of the vast nummer of party members and cadres and the millions of masses of people.

In January 1986, the CPC Central Committee Secretariat held a meeting of the cadres of the committee organs and called on all party members and cadres in the organs to set examples in putting party style right for the whole country. This is a meeting of great significance, and it sounded the bugle for the march in building socialist spiritual civilization in 1986. The spirit of the speeches of central leaders at that meeting have roused a strong response from all party members and the people of all nationalities throughout our country. The work of putting party style right in the central organs has been carried out soundly according to the arrangements of the CPC Central Committee. We can expect that the change in the central organs' work style will certainly affect the whole party and country and the entire Chinese nation.

The Year of the Tiger has already begun. The vast land of China is filled with vitality and there is a vigorous trend of development and progress. The deepening of the economic structural reform will continue to remove fetters and obstacles to the development of our productive forces. The construction of spiritual civilization will clear away rotten and backward things and rouse the Chinese nation's revolutionary spirit. Once we have removed the fetters of the old system and thoughts, the tremendous latent energy in our people will break through all difficulties and barriers with the momentum of an avalanche and raise even higher the new situation of socialist construction we have already created.

We can expect such prospects. However, we must make arduous and sustained efforts. If we unite as one in carrying out the struggle soundly and persist in doing so, we will bring about a magnificent future.

XINHUA COMMENTATOR ENCOURAGES INCREASED SAVINGS

OW191305 Beijing XINHUA Domestic Service in Chinese 0151 GMT 19 Feb 86

[XINHUA Commentator's article: "It Is Necessary To Greatly Increase Saving Deposits"]

[Text] Beijing, 19 Feb (XINHUA) -- Vigorously increasing savings deposits and expanding sources for credit funds is an important task for the Seventh 5-Year Plan period. As far as this year's situation is concerned, that general demand has outstripped general supply in our economy remains a contradiction meriting our full attention. To increase savings deposits and readjust supply and demand is of particular significance in offsetting this contradiction. Pondering this year's reforms, Comrade Zhao Ziyang recently called for efforts to increase deposits and expand sources for funds.

It is quite possible that many of our comrades do not realize that savings deposits greatly affect production and construction. It is reported that new deposits in China reached 40.7 billion yuan during 1985. This figure is equivalent to 25 percent of China's total amount of investment in fixed assets in state-owned units in 1985. From this we see that the amount of savings deposits will play an important role in developing China's economy during the Seventh 5-Year Plan period.

Increasing savings deposits is a goal of the masses. People in China are enthusiastic about saving money. As of the end of 1985, China's per capita saving was over 160 yuan. By saving money, people spend money more reasonably and live more comfortably. At the same time, savings deposits turn some money in the hands of the people into accumulated funds. On the one hand, this will reduce the pressure exerted by people's purchasing power on the market and help the withdrawal of currency from circulation. On the other hand, it will solve the problem of insufficient state funds for production and construction. Meanwhile, the results in the development of production will, in turn, increase the income of the people. Increased savings will benefit the country and the people.

Right now, the total sum of urban and rural savings deposits amounted to over 160 billion yuan. However, the potential in increasing these deposits remains great. According to statistics, the average annual income of China's workers registered a net increase of 209 yuan during the Sixth 5-Year Plan period. From now on, the income of the masses will continue to rise in the course of developing production. All of this indicates that urban and rural people's capabilities to save more money will continue to increase, and China's savings deposits will continue to rise.

Improving services of various banks is an important move in increasing savings deposits. For example, various measures to attract more deposits, such as increasing the number of tellers, designing different types of accounts, setting up savings agencies, and simplifying the procedure of making deposits have been listed as important items on the daily agenda of various banks. It is our hope that banks will be able to keep pace with the developing situation as soon as possible, and make new contributions to providing more funds for the development of the socialist modernization program.

PLA PARTY STYLE TO BE EXAMINED, RECTIFIED

HK181000 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 6-7, 10 Feb 86 p 7

[Article by Gai Yuman and Xiong Zhengyan: "Responsible Official of the Discipline Inspection Commission Under the Central Military Commission Talks About Rectification of Party Style"]

[Text] The Central Military Commission has decided that the Army should take the lead in party rectification and strive to realize a basic turn for the better in the Army's party style. Will the plan of the Central Military Commission come true? How are the PLA units to take action? We visited the Discipline Inspection Commission under the Central Military Commission with these questions.

Guo Linxiang, secretary of the Discipline Inspection Commission under the Central Military Commission, and deputy secretaries of the commission Zhang Boxiang and Yan Jinsheng told these reporters that the central authorities have issued the call to rectify party style. After repeated study, the Central Military Commission holds that the Army has the foundation and conditions to realize this important task proposed by the Central Committee. Yang Shangkun, vice chairman of the Central Military Commission, expressed the determination of the Army to the whole party and whole country at the conference for cadres of central level organs called by the CPC Secretariat.

According to Guo Xianglin, in any undertaking it is first necessary to have confidence. In a battle, it is impossible to win without confidence. Likewise, we must be confident of achieving a basic change in the Army's party style. In recent years, through the joint efforts of party committees, political departments, and discipline inspection commissions at various levels of the Army, the Army's party style has markedly changed for the better. This has provided a definite boost for fulfilling all tasks on the part of the Army, in the war of defense against Vietnam and in streamlining and reorganization in particular. Those units taking part in the war of defense against Vietnam have obeyed orders, fought heroically, and boosted the power and prestige of the Army and the nation. The Army structural reform, streamlining, and reorganization work which began in 1985 have been smooth despite the fact that they involve a wide scope and are complex and arduous. We should say that the Army's party style has been tested in the practice of war and in streamlining and reorganization, and its general condition is good.

The responsible persons of the Discipline Inspection Commission under the Central Military Commission briefed the reporters on many examples of the Army rectification of party style in the streamlining and reorganization.

In the course of streamlining and reorganization, some units were to be demobilized, others merged, and still others streamlined by a large margin. The cadres and soldiers have conscientiously responded to the party's call, subjected themselves to the whole situation of national economic construction, and correctly dealt with their own personal problems. They have been demobilized, merged, or demoted as the situation required, showing a high political consciousness and a very strong party spirit. The first stage of reorganization is now complete. A large number of leading cadres have left their posts and willingly become "enlightened personalities," warmly supporting the work of the new leading bodies. It is very difficult to imagine a reorganization on such a wide scope without good party spirit.

Here is an example of an army unit belonging to those units to be demobilized: Even before the work of demobilization was unfolded, the members of the army party committee set up rules among themselves: No favors would be done for those who might ask; no business involving unhealthy tendencies should be conducted; and no one should go against principle by playing the part of the "kindhearted man." Not only did they have a correct attitude toward their own future, but they also held fast to their posts in their best spiritual state and continued to do a first-rate job. Following their example, none of the cadres of the Army organs left their posts without sanction before they were transferred, demobilized, or retired, or while waiting for a work appointment. The army units maintained their steadfastness even when some units were to be demobilized, and the work went smoothly. Had it not been for an established good party style, could they have behaved so well at a crucial moment? Some shortcomings are unavoidable when the Army is undergoing structural reform, streamlining, and reorganization on such a broad scale. But the question is how to deal with those shortcomings that have already emerged. The leadership of the Discipline Inspection Commission under the Central Military Commission holds that this is also a severe test for party style.

The party committee of a provincial military command did a rush job in promoting a number of cadres before streamlining and reorganization. Later, the problem was laid bare; however, the leadership of the provincial military command did not make any efforts to correct the malpractice. They proposed that the party committee make an examination but not withdraw the promotion orders which had already been issued. The party committee and discipline inspection commission of the military region did not tolerate these unhealthy tendencies, and they stuck to principles, insisting that the provincial military command withdraw their promotions of 81 cadres which did not conform with the regulations.

Guo Xianglin picked up a telegram just sent to him by the political commissar of the military region concerned. The political commissar in question investigated and researched grass-roots units recently and discovered one of the units had secretly divided up public funds. The political commissar solemnly investigated and handled the case, and rapidly had all the divided funds recollected, and the responsibility of the leading cadres concerned was determined.

Reviewing practices over the past year, the leadership of the Discipline Inspection Commission under the Central Military Commission holds that it is difficult but at the same time not difficult to realize a basic turn for the better in party style. It is difficult because problems in party style do exist, and in some places and some units the problems are rather serious and there is a certain resistance over their solution. There are two reasons for saying it was not difficult: First, the leading organs and leading cadres should take the lead; and second, party committees, political organs, and discipline inspection commissions at all levels should work with concerted efforts and be bold in grasping problems and genuinely assuming responsibility. So long as these two points are accomplished, good results will be scored in rectifying party style. The Army's practice in grasping party style in the course of streamlining and reorganization has fully proven this.

On the question of how to realize a basic turn for the better in the Army's party style, Guo Xianglin, secretary of the Discipline Inspection Commission under the Central Military Commission, and deputy secretaries Zhang Boxiang and Yan Jinsheng said it is necessary for us to see that the army's party style is good on the whole; however, existing problems should not be neglected. Based on the planning of the Central Committee, the Central Military Commission has decided to earnestly study and implement the spirit of the joint circular of the General Office of the CPC Central Committee and the General Office of the State Council, and to solve the serious unhealthy tendencies in six ways as pointed out in the circular in a down-to-earth way, regarding these as a breakthrough for realizing a basic turn for the better in the army's party style. As soon as the National Conference of Party Delegates concluded, the party committee of the General Political Department and the Discipline Inspection Commission under the Central Military Commission jointly held a meeting to study and to make plans for the work of rectifying the party style of leading organs of Army units stationed in Beijing. The Army should take the lead in rectifying party style, especially the three PLA General Departments and the leading organs of various major units stationed in Beijing. The present situation is that the whole Army is looking to Beijing, while Beijing is looking to the three General Departments.

The secretaries of the Discipline Inspection Commission under the Central Military Commission say that the Army has always had a fine tradition of fearing no difficulties and being unwilling to lag behind. So long as they have made up their minds, they are sure to achieve their goal. The Army is comparatively content and unified and has a strong sense of organization and discipline. It has superior conditions for rectifying party spirit. In order to strive for the realization of a basic turn for the better in the Army's party style in 1986, it is imperative for us to do our work meticulously in depth based on the principle of "first, persistence; second, perseverence" and the spirit of "less empty talk, but more practical work." At present, the three General Departments, leading organs, and leading cadres of various major units are taking action. They are making strict comparisons and examinations based on the joint circular of the General Offices of the Central Committee and the State Council. They will handle whatever cases are uncovered based on the principle that everybody is equal before party discipline, and those cases will be investigated no matter what the level of organization and no matter the level of the cadre involved, without sparing anyone's sensibilities. The determination of the Central Military Commission will certainly become the pattern in the whole Army.

ZHAO ZIYANG, HU QILI, TIAN JIYUN INSPECT HAINAN

OW192332 Beijing XINHUA Domestic Service in Chinese 0904 GMT 19 Feb 86

[Text] Guangzhou, 19 Feb (XINHUA) -- During a recent inspection tour of Hainan Dao, Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun called on local cadres and people to revitalize their spirit in persistently carrying out the policies of opening up to the outside world and invigorating the economy, and make good use of this treasure island's resources to do a solid job of development and construction in Hainan Dao.

From 5 through 14 February, Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun visited two cites and eight counties in Hainan Dao, inspecting local factories, farms, air and sea ports, nature reserves, tourist facilities, and areas inhabited by minority nationalities. They also visited with PLA units stationed on the island and with ordinary families, and discussed, together with the cadres and people, principles and policies for the development of the island, and solved problems on the spot.

Noting prosperity in the cities and towns they had visited, comrades Zhao Ziyang, Hu Qili, and Tian Jiyun pointed out with delight that, since the 3d Plenary Session of the 11th CPC Central Committee was convened, especially since it made the decision to adopt special policies and flexible measures in Hainan Dao, construction has advanced by leaps and bounds throughout the island. Remarkable achievements have been made in construction in the island, and the people's livelihood has also been markedly improved. Facts have proven that the policies of opening up to the outside world and invigorating the economy have enabled the island to bring into full play its unique superiority, thus speeding the pace of construction. They also pointed out that the incident of reselling motor vehicles for profit in Hainan Dao in 1984 has, to a certain extent, affected smooth construction in the island and created a number of problems. However, as long as island leaders at all levels earnestly analyze the experience and correctly draw a lesson from the incident, they will be able to "make a fall into the pit turn into a gain in the wit" and transform a negative factor into a positive, thereby enabling development and construction in Hainan Dao to advance along a healthy road in the course of continuing the policies of opening up to the outside world and invigorating the economy. It would be groundless and erroneous to doubt the correctness of the policies and lose confidence in the development of the island because of the motor vehicle resale incident. Leaders and cadres at all levels in Hainan Dao should revitalize their spirit, and persistently carry out the policies of opening up to the outside world and invigorating the economy, and reforming in order to do a better and more solid job.

Touching on the principles of development and construction in Hainan Dao, Zhao Ziyang and the other comrades pointed out: It is necessary to proceed from the actual situation on the island and bring into full play its advantages, making the best possible use of favorable conditions and avoiding the unfavorable in order to speed the pace of development. It is necessary to formulate strategy and principles for developing Hainan Dao on the basis of its two special characteristics: that it is an island and conveniently located for establishing contacts with foreign countries, and that it has a tropical climate and rich products and resources. The policies of opening up to the outside world and invigorating the economy, which have created favorable conditions for making the most of the island's advantages, will be continued and will not change. In formulating principles for production, it is necessary to attach importance to, and concentrate on, the growing and processing of tropical crops, as well as livestock breeding, agriculture, tourism, and, in places where conditions permit, mining. Stressing the importance of promoting tourism, Zhao Ziyang and other comrades said: Promoting tourism should not be regarded as merely building hotels and cultural and recreational facilities, but as developing a major industry and carrying out a construction project which can spur the development of other industries and stimulate economic prosperity. The island enjoys great potential for developing tourism, which should be tapped in an active and orderly manner. It should be built into a tropical tourist delight.

Zhao Ziyang and other comrades also pointed out: In order to speed development and construction in Hainan Dao, the island should "introduce investment from abroad and establish lateral ties at home," and, at the same time, "go all out to earn foreign exchange." These two aspects are interrelated because, only by earning more foreign exchange can the island import technology and introduce investment and qualified personnel from abroad. Only by combining these two aspects can a comprehensive policy be formulated.

In addition to continuing to open up to the outside world and promoting economic and technological exchanges with foreign countries, Hainan Dao should increase economic cooperation in various forms with inland areas of China. It should make good use of its advantages and special policies in attracting funds and technical personnel from all localities and departments in the country to take part in development and construction in the island. To this end, it is necessary to formulate a set of policies, open the door, relax restrictions, and give preferential treatment to encourage all trades, professions, and units from the inland areas to invest or start all kinds of undertakings in the island.

There are more than 90 state farms, with nearly 500,000 staff and workers, in Hainan Dao. They produce one third of the island's total industrial and agricultural output value. During the inspection tour, Zhao Ziyang and the other comrades repeatedly pointed out that these state farms should be considered important forces in building and developing the island. They urged the staff and workers to bring their talents into full play and take part in various island construction projects.

These state farms should also be invigorated. First, they should be given greater decision-making powers in management, operations, and production, and should become dynamic economic entities with an independent accounting system, responsible for their own profit or loss. Second, to harness the enthusiasm of the large numbers of staff and workers in production and management, it is necessary to encourage establishment of family farms working under big farms. Third, it is necessary to encourage the diversified economy and promote comprehensive development. Fourth, it is necessary to expand farm operations by developing economic cooperation in various forms with other localities and units. In short, it is necessary to further untie the rope binding farm development so that they can be invigorated and contribute more to island construction. Farm reform should be made in accordance with these guidelines.

Showing keen concern for the training of talented personnel, Zhao Ziyang and other comrades emphatically pointed out that the most serious factor affecting construction on the island is the shortage of specialized personnel. While attracting capable personnel to work there, it is also necessary to establish various kinds of secondary, specialized technical schools for training large numbers of qualified personnel and relieving the shortage.

In view of the fact that Hainan Dao is an island inhabited by many nationalities, Zhao Ziyang pointed out the necessity of paying close attention to regional autonomy for minority nationalities and fully respect the right of all fratenal nationalities to be their own masters. At the same time, it is also necessary to strengthen the unified leadership of the party committee and the government of the Hainan Dao Administrative District in making concerted efforts and mapping out overall arrangements and rational planning in order to tap the great potential in the motherland's treasure island and stimulate vigorous economic growth in the whole island. Comrade Hu Qili expressed his earnest hope that cadres at all levels on the island will foster an overall point of view, make relentless efforts in building the two civilizations, show concern for the people's livelihood, and go forward with their mental burdens discarded, so as to march lightly to open up a new situation in Hainan.

COMMUNICATIONS SATELLITE REACHES PERMANENT ORBIT

OW200922 Beijing XINHUA in English 0909 GMT 20 Feb 86

[Text] Beijing, February 20 (XINHUA) -- China's second telecommunications and broadcasting satellite was placed accurately in an orbit above the Earth's equator today as planned. The satellite, which was launched on February 1, was placed in its permanent orbit above the equator at 103 degrees east longitude by ground station at 17:00 hours today. Instruments and other equipment aboard the satellite are all working normally and are expected to be put into actual use soon. The satellite and its "Long March" No. 3 carrier rocket were both developed in China. This is the second time China has launched an Earth synchronous satellite. The first was launched on April 8, 1984.

Central Organs Congratulations

OW201203 Beijing XINHUA Domestic Service in Chinese 0915 GMT 20 Feb 86

[Text] Beijing, 20 Feb (XINHUA) -- The CPC Central Committee, the State Council, and the Central Military Commission today cabled a greeting message on the successful positioning of China's second communications and broadcasting satellite for practical use. Following is the full text of the message:

Comrades having taken part in research and manufacture, launching, tracking and control, application, and safety of the communications and broadcasting satellite and carrier rocket:

The communications and broadcasting satellite we launched at the beginning of 1986 has been successfully positioned and is functioning normally. This shows that China has fully mastered the technology of manufacturing, launching, tracking, and controlling the carrier rocket; that its satellite communications have moved from the experimental stage to the applications state; and that we have made new advances in space and electronics technologies. This achievement will significantly speed our country's socialist modernization drive and help further develop its space technology. It heartens Chinese people of all nationalities tremendously.

That the communications satellite has been put into actual use is the result of your self-reliant and painstaking research and hard work and the energetic cooperation of the people of the whole country. The CPC Central Committee, the State Council, and the Central Military Commission hereby extend warm congratulations and cordial regards to you. It is our hope that you will carefully review your experience, show greater vitality, work in unity, and strive for greater achievements to make new contributions toward developing China's communications and broadcasting undertakings and space technologies.

[Signed] CPC Central Committee, State Council, Central Military Commission, 20 Feb 1986

NIE RONGZHEN REVIEWS ASTRONAUTIC ACCOMPLISHMENTS

HK190533 Beijing RENMIN RIBAO in Chinese 13 Feb 86 p 3

[Article by Nie Rongzhen: "Preface to 'China's Contemporary Astronautics Undertakings'"]

[Text] The publication of the book "China's Contemporary Astronautics Undertakings" is an event worth congratulating!

China's astronautics undertakings have substantially developed over the past 30 years. The industrious, brave, and creative Chinese people have built up, on the basis of their own efforts and strength, an advanced astronautics industry measuring up to world levels in an economically and technologically backward country. This is the pride of our Chinese nation!

Our practice over the past 30 years has shown that the policy decision on developing our country's independent astronautics industry made by the party's central leadership and by Comrades Mao Zedong and Zhou Enlai was correct and showed foresight. Many leading comrades of the party central leadership, the State Council, the Central Military Commission, and all relevant departments have actively supported the development of our astronautics industry and have made outstanding contributions to it. I am glad that I had the fortune of overseeing the preparatory work for the establishment of the astronautics department and of leading this department. I share deep feelings with comrades working on the astronautics front. This work experience on the astronautics front has been unforgettable.

Reviewing the past 30 years, our astronautics industry developed rather smoothly in the first 10 years. Although we encountered various difficulties and external obstructions in this initial period, the firm determination and the correct policies of the party central leadership fully aroused the initiative of all parties concerned, and a rather complete engineering system for the astronautics industry was established within a short time. We started the independent development of various models of astronautical vehicles and equipment and laid a solid foundation for wide-scale further development. However, the second 10 years were the disastrous 10 years of the "Cultural Revolution." Like things in other fields, the astronautics industry was seriously disrupted during this period and suffered major losses. Because we had laid a good foundation for this industry in the first 10 years, with the joint efforts of comrades on the astronautics front we could still advance the astronautics industry under unfavorable conditions. In the third 10 years, under the guidance of the party's correct line for the new historical period, our astronautics industry developed vigorously and scored remarkable achievements known to the whole world. It thus made major contributions to the national economic and national defense construction and to the development of science and technology in our country.

The development of our astronautics industry represents a victory for our party's principle of independence and self-reliance. In a technologically backward and economically weak country such as ours, people must have iron determination and a hardworking spirit in order to develop and master the advanced technology of the astronautics field, and the leadership must fully trust and rely on the wisdom and strength of the people. In the 1960's, we developed astronautical technology under conditions of external blockade and pressure, and we never vacillated or abandoned our efforts. We consistently maintained our national self-respect and self-confidence, persevered in independent research, and scored accepted achievements. At present, our external relations are much better than in those years. We should carry forward the policy of opening up to the outside world and should learn more from advanced foreign technologies and expertise so as to build up our own strength and offset our shortcomings. However, at all times we must rely on our own strength and efforts. The introduction of advanced foreign technology is a means for building our capacity for self-reliance.

The successful experience in developing our astronautics industry can be summarized into these points: concentrating strength, giving priority to the key links, shortening the "battlefront," and making breakthroughs on crucial points. In the initial period, our country's scientific and technological strength was still rather weak and the astronautical technology remained as a gap needing to be filled. In order to accumulate technological strength, the astronautics department gathered a number of outstanding scientists in our country. In the course of developing and testing astronautical vehicles and equipment, we also trained a large number of talented people and competent experts.

Thus, the contingent of astronautical personnel began to grow in both research and production fields. They maintain the fine tradition of hard work and have a good command of advanced technology. The party's training and education enable them to fully display their dedication and resourcefulness. This is the main guarantee for the vigorous development of our astronautics industry. Facts show this astronautics contingent has a high ability in resolving technical problems. From commanders to soldiers, all of them have been thoroughly tempered and have gained rich experience. They have solid foundation of expertise and are good at tackling difficult technical problems. They gave great potential for climbing new technological peaks.

Another successful experience in developing astronautical technology under the specific conditions of our country was to organize nationwide cooperation and to pool the wisdom of all parties concerned to tackle technological issues. This also represents the superiority of the socialist system in our country. Astronautical technology is related to many industrial and technological fields. The strength of the astronautics industry is not sufficient to deal with all technological problems. Forces in the five major fields in the whole country have been mobilized to cooperate in developing astronautical technology. Over the past 30 years, various national defense research institutes, industrial ministries, the Chinese Academy of Sciences, institutions of higher education, and local research units have all made important contributions to the development of our astronautics undertakings. At the same time, the development of astronautical technology has promoted the development of basic industries and has paved the way for the establishment and development of many new production and scientific branches.

In order to develop astronautical technology, we not only need a firm determination to catch up to advanced world levels, but also need a down-to-earth and scientific attitude and need to respect the objective regularity of things. Comrades on the astronautics front realize the large-scale, complicated, comprehensive, and exploratory characteristics of astronautical technology. They continuously review experience, learn from advanced methods in other countries, and have succeeded in establishing and developing a scientific management system and a set of methods suited to conditions in our country. These effective methods are valuable experience. We still need to further improve and develop these methods.

The achievements and experience of our astronautics industry over the past 30 years should now be taken as the new starting point for our future work. It is hoped that comrades on the astronautics front will continue to make efforts and further enhance their work. Our astronautics industry should be oriented to the world and to future development. We should pay close attention to new trends in technology at home and abroad, should learn from the new technologies and experiences of other countries, should bring our own strong points and advantages into better play and make continuous advances, and should make greater contributions to the building to socialism with Chinese characteristics.

The party leadership and the state have always attached importance to the development of our astronautics industry; the people of the whole country and the whole Army have always been concerned with and always supported the astronautics industry. Now, the book "China's Contemporary Astronautics Undertakings" carries the historical fact about the development of the astronautics industry in our country, and for the first time detailed accounts of China's astronautics industry are presented to readers at home and abroad. I hope that this book will help readers learn more about China's astronautics industry and gain some useful ideas.

MINISTER URGES EFFORTS FOR BUMPER WHEAT CROP

OW190516 Beijing XINHUA Domestic Service in Chinese 0838 GMT 18 Feb 86

[By RENMIN RIBAO reporter Xiao Junxi and XINHUA reporter Zhou Yichang]

[Excerpts] Beijing, 18 Feb (XINHUA) -- A total of 370 million mu of wheat fields in China have passed the winter safely. On 17 February, the Ministry of Agriculture, Animal Husbandry, and Fishery invited some of the wheat specialists in the major wheat-producing provinces of Hebei, Shandong, and Henan, and from Beijing to jointly analyze wheat growth and study measures for management of wheat fields in order to gather a good harvest this year.

As wheat is one of China's major grain crops, a bumper wheat harvest is of vital significance in gathering a large grain harvest in 1986. The wheat acreage in China this winter has only increased slightly. In general, the wheat crop is growing fairly well because of better sowing conditions in major wheat-producing areas in northern China. However, because of constant rain in the middle and lower reaches of Huai He and Chang Jiang last autumn, wheat sowing has been delayed, and consequently wheat in some areas is not growing very well. Furthermore, the supervision and management of wheat fields in some areas has not been properly handled. Some local leaders have taken heed of this situation and adopted corresponding measures to deal with the problem.

After an inspection tour of rural areas in Hebei Province, He Kang, minister of agriculture, animal husbandry, and fishery, attended the meeting. Minister He said: Now, it is imperative that we strengthen leadership, seriously implement the many valuable proposals presented by the specialists, and mobilize the peasant masses to action. We must lose no time in stepping up our work in this respect. The agricultural departments at various levels must earnestly strengthen management leadership in the wheat fields. At the same time, they must promote lateral ties between the various departments of water conservation, power, petroleum, finance, supply and marketing, grain, weather, and banking. They must take the initiative in soliciting support from these departments, and make an all-out effort to gather a bumper summer grain harvest as a means of laying the foundation for higher grain output for the whole year.

COMMUNICATIONS MINISTER ON ADMINISTRATIVE REFORM

OW200631 Beijing XINHUA Domestic Service in Chinese 0858 GMT 19 Feb 86

[By RENMIN RIBAO reporter Zhang Guorong and XINHUA reporter Li Anding]

[Text] Beijing, 19 Feb (XINHUA) -- According to the Ministry of Communications, the general requirement for the ministry's administrative reform during the Seventh 5-Year Plan period is to enliven communications and transportation services by improving management and overall control on the basis of achieving "changes in two areas."

Addressing the national communications conference, Minister of Communications Qian Yongchang said today that communications departments must gradually strengthen their management of the whole trade instead of paying attention primarily to their affiliated enterprises, and they should carry out indirect control instead of direct control over the enterprises' actual operations. He said: Communications departments must oversee the operation of the whole trade, exercise control over all types of highway and waterborne transportation services, as well as over those units which provide transportation services so that the functions of government departments can be brought into full play.

To strengthen control over the whole trade, government communications departments at all levels must attend to implementing the relevant policies, planning construction projects, and coordinating, balancing, and supervising the operation of all departments. They should delegate more power to various enterprises and reduce administrative intervention so that the enterprises will have greater vitality and produce greater economic returns.

Qian Yongchang said: The development of communications and transportation services should follow the principle of "licensing more companies to operate, and raising funds in various areas" so as to arouse the enthusiasm of all quarters, providing all forms of communications and transportation services. We should treat all types of transportation forces equally. In overall planning and division of the work, we should help them do what they can do best, so that their business can grow more successfully. While we must continue to relax our policies to enliven the operation, we must strengthen and improve overall control of the communications trade, organize the communications market well, and properly coordinate the various passenger and cargo transportation services so that joint operations and thorough transport services can be rationally divided. Passenger transport services should be provided according to regular schedules in accordance with travelers' needs. Seaports and terminals, as well as their maintenance and information departments, should be open to all professions and trades in society, and we should regard providing good services as improved management.

JUSTICE MINISTER ON POPULARIZING LEGAL KNOWLEDGE

OW190215 Beijing XINHUA Domestic Service in Chinese 1327 GMT 18 Feb 86

[By reporter Sun Yong]

[Excerpts] Beijing, 18 Feb (XINHUA) -- This year's work in popularizing legal knowledge should be combined with economic structural reform and with efforts to improve party style and bring about a fundamental improvement in general social conduct, said Minister of Justice Zou Yu at a meeting to report on popularization of legal knowledge in selected unity, which ended today.

This is the first year of popularizing legal knowledge among all Chinese citizens. At present, more than half of the provincial, autonomous regional, and municipal leading cadres have taken the lead in studying laws, and a number of departments and units have achieved marked results in integrating the study of laws in everyday work. However, progress in popularizing legal knowledge has been uneven across the country. A national meeting to report on the popularization of legal knowledge in selected units opened on 16 February. During the meeting, responsible comrades from 15 units throughout the country exchanged experience in popularizing legal knowledge.

In his summing-up speech Minister Zou Yu said: When combining the popularization of legal knowledge with economic structural reform, we should study laws and use legal means to manage the economy and to promote the development of socialist commodity economy; in combining it with the effort to improve party style, we should examine the compliance with law and discipline and take action to resolve problems existing in enforcement and compliance with laws; and in combining it with the effort to bring about a change for the better in general social conduct, we should regard popularization of legal knowledge as an important aspect of the work of coordinating all quarters to improve public order, and should mobilize the masses to combat law violations.

Zou Yu stressed: In integrating the popularization of legal knowledge with everyday work, leaders should play an exemplary role in studying and using laws, checking whether their policy decisions conform with legal requirements and correcting any policy decision that fails to meet the requirements.

In order to achieve practical results and enhance understanding in the course of studying laws, a department or unit may conduct a preliminary survey of how things are handled according to the laws before holding study sessions on laws. By studying laws, ordinary people should learn how to use laws to protect their legitimate rights and interests and to correctly perform their duties as citizens. Judicial organs should also step up coordination with other departments and help them solve problems in legal affairs.

Vice Minister of Justice Cai Cheng presided over the meeting. A responsible comrade from the Propaganda Department of the CPC Central Committee also spoke at the meeting.

RAILWAYS MINISTER CALLS FOR INCREASED CAPACITY

OW190213 Beijing XINHUA Domestic Service in Chinese 1132 GMT 18 Feb 86

[By reporter Li Anding]

[Text] Beijing, 18 Feb (XINHUA) — In order to invigorate railway work as a whole during the Seventh 5-Year Plan period, all railway departments should strive for an upswing in two fields centering on an increase in transport capacity.

Speaking at a national conference on railway work today, Minister of Railways Ding Guangen said: The current problems in railway work are all caused by seriously insufficient transport capacity, impeding the development of the national economy. With this reality in mind, we should work hard to bring about an upswing in two fields centering on an increase in transport capacity. First, in order to increase transport capacity and meet the basic needs of railway transport, it is necessary to concentrate manpower, material, and financial resources on carrying out technological transformation on the 16,000 km trunk railways in the northeastern and coastal regions. To fundamentally improve the service of these railways, we will focus attention on laying multiple-track railways, increasing the length of electrified railways, using computers in operations and management, and building and expanding 10 passenger and 7 key marshalling stations. Second, it is necessary to vigorously implement technological transformation in the locomotive industry and greatly increase its capability to produce more locomotives and improve product quality. We should upgrade locomotives, using mainly electric and diesel locomotives. By the 1990's, we should be completely self-sufficient in locomotives. The production capacity of freight trains will be increased by at least 70 percent and passenger trains by 120 percent.

Ding Guangen said: While striving for improvement in these two fields, we should also go all out to improve party style and railway transport style so that the people will feel at ease and be satisfied with their railways.

INDUSTRY, COMMERCE BANK OUTLINES 1986 TASKS

OW180213 Beijing XINHUA Domestic Service in Chinese 0930 GMT 17 Feb 86

[By reporter Chen Naijin]

[Text] Beijing, 17 Feb (XINHUA) — The Industrial and Commercial Bank of China has outlined three tasks for this year. They are: Vigorously increasing deposits and self-sufficiency in credit funds, ensuring that loans are rationally used for supporting economic development, and earnestly improving service to speed the transfer of funds.

The Industrial and Commercial Bank of China handles industrial and commercial loans in cities and savings deposits in cities and towns. Speaking at a meeting of heads of all branches in the country today, bank president Zhang Xiao said that the three tasks have been outlined in accordance with State Council's instructions.

From now on, the Industrial and Commercial Bank of China will gradually shift its work to relying mainly on savings deposits and smooth circulation of funds to increase funds for loans. Zhang Xiao said: This is not only an important aspect in reforming the banking system but also a basic requirement for specialized banks in doing away with the practice of "eating from the big pot of the central bank" and enabling them to manage their own work. She called on the 400,000 staff and workers of industrial and commercial banks across the country to foster the idea of self-management and conscientiously strive to realize the shift in the work in order to bring into full play the role of banks in regulating and redistributing funds for economic construction.

According to reliable sources, in order to increase funds, the Industrial and Commercial Bank of China will try everything within its capabilities to increase savings deposits by city and town residents, enterprises, and individuals. Measures will be taken to resolve difficulties in depositing and withdrawing money; to increase the variety of accounts, expand the scope of service, and improve service by setting up such attractive savings accounts as specialized ones for tourism, housing, and high-grade durable consumer goods according to the actual situation in each locality; to sell certificates of deposit and experiment as agents for disbursing wages and pensions and collecting house rents and water, electricity, and gas fees in areas and units where conditions permit; and to continue to do a good job in issuing monetary bonds to private sectors in order to absorb as many funds as possible from among the masses of people.

In order to ensure funds for normal production and circulation this year, industrial and commercial loans will be issued according to the principle of reviewing the application case by case and selecting the ones with better qualifications on the premise of continuing to strengthen macroeconomic control and in line with the spirit of improving the supply to invigorate the economy. When a contradiction arises between loans for circulating funds and for investment on fixed assets because of a shortage of funds, priority will be given to loans for circulating funds. Circulating funds will be used mainly to support the following areas: Enabling industrial and commercial enterprises to purchase primary agricultural and subsidiary products according to purchase contracts; production and purchase of readily marketable consumer goods for daily use that are in great demand and can withdraw currency from circulation in the market, especially famous brand quality goods in short supply; competitive export commodities that can earn a great deal of foreign exchange as well as useful and marketable import commodities; and products included in state key production plans.

Loans for investment on fixed assets should be issued strictly to those that have already been approved by the state. It is necessary to control the general scale as well as pay attention to readjusting investment structure. Loans this year will mainly be used for supporting projects already under construction and contracts on importing technologies that have already been signed.

In order to cope with the needs of planned development in the commodity economy, especially development of lateral economic cooperation between different localities and departments, industrial and commercial banks in all localities will improve their service to speed the transfer of funds. They will adopt various methods, such as use of checks and transfer of funds by mail or bank notes, in settling accounts with customers, especially self-employed industrialists and businessmen and specialized households. In areas where conditions permit, the banks will issue traveler's checks on an experimental basis for personnel of enterprises or individuals on trips for procurement or other purposes.

The banks will also develop, on an experimental basis, the business of cashing or paying interest on bank notes in some large and medium-sized cities, as well as speeding the transfer of funds between localities and the settlement of bank notes in the same city in order to reduce the amount of funds tied up in the course of transfer or settlement, speeding circulation of funds, and conserving the use of cash. Joint economic enterprises that support lateral economic cooperation between localities and departments, and with status as legal persons and a joint charter, may open accounts at the Industrial and Commercial Bank and apply for loans for circulating funds and technological transformation in accordance with the regulations.

BANK OF CHINA TO SUPPORT DOMESTIC CONSTRUCTION

OW180127 Beijing XINHUA Domestic Service in Chinese 0922 GMT 17 Feb 86

[By RENMIN RIBAO reporter Ji Honggeng and XINHUA reporter Chen Naijin]

[Text] Beijing, 17 Feb (XINHUA) -- This year the Bank of China will make great efforts to raise capital in foreign exchange to support economic construction at home. The Bank of China is the only state-designated foreign exchange bank in the country. Its total assets in 1985 exceeded 200 billion RMB. Speaking today at a meeting of heads of the bank's branches in the country, Wang Deyan, president of the Bank of China, said the bank will intensify its survey of the international banking and capital market and the trend of interest rates and will choose the right moment to raise capital in foreign exchange with favorable terms in various ways and through various channels.

It has been learned that foreign exchange loans this year will primarily be extended to energy and communications development projects, as well as to medium-sized and small enterprises' short-term technical transformation projects that can promote exports and earn foreign exchange. If financially feasible, funds will also be spent on supporting foreign contracts, tourism, and the development of Sino-foreign joint ventures, cooperative enterprises, and enterprises operated by foreign businessmen. Loans for undertaking foreign contracts will primarily be those for supporting the export of labor services. Being a developing country, China is unable to provide large amounts of capital for undertaking foreign projects. Within the scope of the credit plan, we should accept more projects that pay cash, and reduce or reject projects that pay on a deferred payment basis, even when the payments are guaranteed. Credits for Sino-foreign joint ventures, cooperative enterprises, and enterprises operated by foreign businessmen should primarily be extended to technologically intensive projects, which are of a productive nature, and which can earn foreign exchange -- projects that can help the balance of foreign exchange.

Circulating funds in RMB must also be spent primarily on key projects, such as procurement of export commodities produced under the state plan, intermediate or long-term loans for supporting machinery export, and loans for supporting Sino-foreign joint ventures, cooperative enterprises, and enterprises operated by foreign businessmen.

The Bank of China stressed that using international commerical loans is a project requiring effective policies and technical skills. Applications for credit must be seriously examined, managed, and supervised so that our credits are in line with the nation's economic development, so that they can produce relatively good economic results, and so that the principal can be repaid with interest on time.

BANK OFFERS RURAL FOREIGN CURRENCY LOANS

HK140156 Beijing CHINA DAILY in English 14 Feb 86 p 2

[Text] To meet the demands of the expanding rural economy, the Agricultural Bank of China is offering foreign currency loans to help export-oriented projects in rural areas, according to the newspaper INTERNATIONAL BUSINESS. The bank is also endeavouring to attract foreign funds and loans to promote such projects.

China's coastal areas have developed dramatically in recent years. An upsurge in the exploitation and use of natural resources has swept these areas. Many products being manufactured in these areas are expected to earn foreign exchange for the state. Foreign currency loans are now badly needed by such enterprises for the introduction of advanced technology and equipment. Rural businesses need foreign currency not only for importing equipment, but also for buying raw materials that are in short supply on domestic markets.

In order to meet the increasing demand for foreign currency, the Agricultural Bank of China established a special office last year to increase overseas borrowing and link up business with foreign counterparts. The bank's branches in Shenzhen, Zhuhai, Foshan and Xiamen have started dealing in foreign exchange. New services offered by the bank's branches include individual and businesses' foreign currency savings deposits, and foreign currency loans to rural industries. According to the newspaper, the bank has signed contracts for loans of $75 million with foreign financial organizations since 1985. The loans, from the World Bank and the International Fund for Agricultural Development, have been granted to agricultural projects in Guangxi, Zhuang Autonomous Region, and the provinces of Hubei and Fujian. The bank has also borrowed funds from foreign commercial banks. A $2 million loan from the North Europe Investment Bank has been offered to state-run farms in Hebei Province to develop milk processing.

Another loan has been signed recently between the Agricultural Bank of China and Citibank of America. The loan is expected to go to Jiangsu and Guangdong Provinces to improve technology in rural businesses and fish-raising. Rural banks in special economic zones will gradually start offering all services provided by other specialized banks, with the approval of the People's Bank of China and the State Foreign Exchange Administration.

LIAOWANG CITES SUCCESSES IN POPULATION CONTROL

HK190517 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 6-7, 10 Feb 86 p 38

[Article by Guo Tong: "China Makes Headway in Its Population Policy"]

[Text] In April 1985, cooperating with the International Statistical Society and adopting methods from the "World Fertility Survey," China's State Statistical Bureau carried out the first stage of a fertility sample survey in Hebei, Shaanxi, and Shanghai. Judging from the initial figures from the survey, China has had success with its population policy.

1. High Marriage Rate, Low Divorce and Widowhood Rate, Stable Marital Status

The survey figures show that in Hebei, Shaanxi, and Shanghai, as in many other areas in China, the marriage rate is high and the divorce rate is low. Most women marry before age 35. Very few remain single for life. In Hebei, all women of child-bearing age have married before 35. In Shaanxi and Shanghai, the percentages of unmarried women over 35 are respectively 0.3 and 1.7, of which the percentage of those who will soon pass their child-bearing ages is about 0.2.

The percentages of those divorced or separated are very low in these provinces and the municipality. This percentage is 0.1 in Hebei, 0.3 in Shaanxi, and 0.4 in Shanghai. The main reason for the break-up of a marriage is the death of the spouse. However, with the gradual improvement of medical and health work and the people's livelihood in China, the people's lifespan is likely to be prolonged. Thus, the widowhood rate is also comparatively low. In the 45-49 age group, the percentages of those whose spouse has died (and who have not remarried) are respectively 3.8 in Shanghai, 4.2 in Hebei, and 7.1 in Shaanxi.

2. The Development From Early Marriage and Childbirth to Late Marriage and Childbirth

Over the past 30 years, the percentage of Chinese women who marry early has fallen markedly. In Shanghai, the percentage of women who marry before age 20 has been reduced from 42.2 to 1.2. In Hebei and Shaanxi, this percentage has been reduced respectively from 59.2 to 13.8 and from 79.7 to 19.3. Most women have delayed their marriages. Over the past 30 years this delay has been respectively 4.4 years in Shanghai and Shaanxi and 3.4 years in Hebei. In 1984, the average age for first marriages was 26 in Shanghai and 21.9 in Hebei and Shaanxi.

Over the past 30 years or so, the age at which Chinese women bear their first child has also been delayed. In the 1950's, some 51 percent of women in Hebei gave birth to their first babies under age 22; this percentage for Shaanxi and Shanghai was respectively 67.6 and 43.8. According to the current survey, in the 25-29 age group of women of childbearing age, the percentage of those who had their first babies before the age of 22 is respectively 13.7, 23.3, and 2 for Hebei, Shaanxi, and Shanghai. This percentage is now much smaller.

3. The Number of Children Born Has Been Reduced Every Year

The survey of a group of women of childbearing age shows that the average number of children born is respectively 2.45, 2.8, and 1.54 for Hebei, Shaanxi, and Shanghai. Judging from the childbearing situation and the general trend of development in the past 10 years from 1975 to 1984, the general birth rate has been dropping in both Shaanxi and Hebei Province, with the former faster than the latter. In Shanghai, the general birth rate has been maintained at the replacement level, but has grown a little bit.

Infant Mortality Is Comparatively Low

The survey of the infant mortality rate for babies under age 1 in the two provinces and the municipality from 1980 to 1983 shows that the mortality rate in Shanghai is the lowest, only 19.3 percent, and those for Hebei and Shaanxi are respectively 34.1 and 34.3 percent.

5. Knowledge About and Measures for Contraception Have Been Popularized

Judging from the survey figures, knowledge about contraception has been most widely disseminated in Shanghai. On the average, every married woman (who had a spouse during the survey) knows seven methods of contraception. In Hebei, each knows 5.6 methods, while in Shaanxi, each knows 5.2 methods. Over the past 30 years or so, each married woman in Shanghai has used 1.6 methods of contraception, and each married woman in Hebei and Shaanxi has used respectively 1.3 and 1.1 methods. At present, about 70 to 80 percent of married women have adopted contraceptive measures. This reflects our achievements in family planning. In Shanghai, 82.8 percent of married women have adopted contraceptive measures, and this percentage for Hebei and Shaanxi is respectively 75.6 and 69.

MIGRANTS REPORTEDLY POSE PROBLEMS FOR CITIES

HK150602 Beijing CHINA DAILY in English 15 Feb 86 p 3

[Text] As more an more surplus rural workers moved into China's cities for temporary jobs, they have upset the urban social order because many criminals have migrated with them. According to statistics reported by CHINA LAW JOURNAL, more than 3.21 million temporary residents have moved into China's top 10 cities -- Beijing, Tianjin, Shanghai, Guangzhou, Wuhan, Shenyang, Changchun, Harbin, Nanjing and Xian -- in recent years. This figure accounts for 10.2 per cent of the total population of these cities. The influx of temporary residents has occurred mainly in the past two years following the state policies of allowing rural workers to move into urban areas to start new businesses or find jobs in commerce, service trades and housing construction.

In Shanghai, for example, this "temporary" population was estimated at about 1.1 million by the end of 1985, two and half times more than in 1983. And a survey in Qianmen area of Beijing showed that 75 per cent of temporary residents had lived for more than half a year in the city.

Most of China's temporary urban residents were migratory labourers, many of them working on construction teams, the paper said. But although their business activities have greatly promoted urban economies and helped provide an additional supply of labour, the paper added, they have also created many new urban problems. Chief among these is the maintenance of urban public security because of inadequate control over residence registration. In Henan Province, a sample survey has found that 11 out of every thousand temporary residents in the province had criminal records.

The paper said many of these offenders entered the cities along with job seekers because of the lack of regulations requiring the employing units to assume responsibility for the temporary labourers. Another reason for the higher crime rate among temporary residents, officials note, is that many hotels and guest houses take in lodgers without requiring them to obtain temporary resident permits so long as the lodgers pay them rents.

All these loopholes have provided criminals with the opportunity to take shelter in cities without being easily detected spotted by police. In Beijing, for instance, 15 workers on a 50-member construction team employed on a hospital project have been caught pilfering, while in Shanghai, several private houses along Daning Street were found to be used as criminal hideouts where more than 1,500 kilogrammes of stolen copper and aluminum plates were found.

In an editor's note, CHINA LAW JOURNAL called on authorities to map out more stringent regulations governing urban temporary residence. The newspaper also suggested a substantial increase in residence management police force to cope with the heavy workload of registering the growing number of non-permanent urban residents.

DENG LIQUN SPEAKS AT JOB TRAINING CONFERENCE

OW200429 Beijing XINHUA Domestic Service in Chinese 1535 GMT 19 Feb 86

[By reporter Zhao Wei]

[Text] The national worker's in-service education management committee and the All-China Federation of Trade Unions cosponsored a news briefing in Beijing today to commend 800 outstanding in-service training teachers from various parts of the country. The meeting lasted 33 minutes.

Deng Liqun and Hao Jianxiu, members of the Secretariat of the CPC Central Committee, and State Councillor Zhang Jingfu attended the meeting to congratulate the teachers and express their best wishes to all other teachers working hard in providing on-the-job training for workers. Speaking at the meeting, Deng Liqun said: On-the-job training of workers is an important way of developing intellectual resources and training competent personnel, as well as a reliable means of guaranteeing sustained economic growth.

China's on-the-job training program for workers has achieved significant success in the 5 years since the party Central Committee and the State Council made the decision of intensifying on-the-job training for workers. To date, over 80 percent of the nation's 120 million or so workers have been retrained. The target set by the CPC Central Committee and the State Council -- namely by the end of 1985, the principal leaders of all enterprises and institutions should have been retrained, young and middle-aged workers should have made up their missed lessons in the political, ideological, educational and technical fields, and workers' technical level should have improved by one or two grades -- has been basically attained.

Deng Liqun pointed out: The accomplishment of our Sixth 5-Year Plan and the successful development of restructuring the urban economic system are inseparable from the mammoth on-the-job training of workers over the past several years. This success should be attributed to the hard work and contributions of teachers engaged in workers' on-the-job training. As such, they deserve the party's commendation and the people's respect.

Deng Liqun continued: To build China into a modern socialist country we must have a large contingent of ethical and educated workers with lofty ideals and a sense of discipline. While working hard to improve their teaching professions, all comrades engaged in workers' on-the-job training should promote socialist ethics and train more qualified personnel needed in our socialist modernization drive. Deng Liqun urged the entire society to care for the workers' teachers, cherish them, support their work, and help them solve their problems.

Commended at the meeting were 800 outstanding "gardeners" engaged in workers' on-the-job training in the nation's 29 provinces, municipalities, and autonomous regions. Most of them were not present at the meeting, however, Except for Beijing, which sent 50 representatives, all other provinces, municipalities, and autonomous regions sent only one representative each. Although they arrived in Beijing only a few days ago, all of them have already purchased return tickets and are ready to leave today or tomorrow. The national worker's in-service education management committee and the All-China Federation of Trade Unions have given each of them a medal, a certificate, and an honor album listing their good works. Deng Liqun hailed the efficiency of the short and small-sized meeting. He said: Today we have set a precedent and done something new. This meeting, which is held in the form of a news briefing, is just as good as other commendation meetings, but without the setback of being overburdened by too much work. This good idea should be popularized. I hope other fronts and departments will follow the same path, or develop an even better way, to commend their outstanding personnel and units.

In his speech, Zhang Jingfu said that on-the-job training of workers is a fundamental and important long-range project with far-reaching results. He expressed his respect for the teachers who have distinguished themselves in providing workers with on-the-job training.

Zeng Delin, He Dongchang, Yuan Baohua, Chen Bingquan, and other leading comrades of the Propaganda Department of the CPC Central Committee, the State Education Commission, the national worker's in-service education management committee, and the All-China Federation of Trade Unions attended today's meeting.

PENG ZHEN INSPECTS TIANJIN PEOPLE'S CONGRESS

OW200449 Beijing XINHUA Domestic Service in Chinese 1210 GMT 19 Feb 86

[By reporter Yang Fubao]

[Text] Tianjin, 19 Feb (XINHUA) -- Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of the Standing Committee of the National People's Congress, inspected Tianjin today and pointed out that the work of the people's congresses should be strengthened, we should all abide by the law and pay attention to legislation, and all organizations and individuals must not overstep the Constitution.

Comrade Peng Zhen today heard a report by Zhang Zaiwang, chairman of the Standing Committee of the Tianjin Municipal People's Congress, on the work of the municipal People's Congress. Comrade Peng Zhen pointed out: All party members should do things according to the party Constitution and all people in the country should promote observing the Constitution and doing things in accordance with the law. In this way, our country can be consolidated. He said: Various provinces, municipalities, and autonomous regions should strengthen local legislation work. We should formulate laws one by one whenever conditions are ripe. Good legislation by various localities and departments will provide a foundation for the legislative work by the NPC.

Comrade Peng Zhen yesterday inspected the Jizhuangzi waste water processing plant and Nanshi food market in Tianjin. At Sanmao Restaurant, Comrade Peng Zhen gladly met with a group of children who were having a birthday party and had his picture taken with them as a memento.

XI ZHONGXUN, OTHERS VIEW BEIJING PERFORMANCE

OW190831 Beijing XINHUA Domestic Service in Chinese 1533 GMT 18 Feb 86

[By reporter Yin Hongzhu]

[Excerpts] Beijing, 18 Feb (XINHUA) -- At the invitation of the Ministry of Culture, a local experimental theatrical troupe from Baotou City, Nei Monggol Autonomous Region, came to Beijing. The troupe premiered a Manhan opera [man han ju 3355 3466 0489] "Legends of Fengzhoutan" at the People's Theater this evening.

Leading comrades Xi Zhongxun, Zhu Xuefan, Zheng Tianxiang, Yang Jingren, and Yang Chengwu; responsible persons of the Ministry of Culture and the State Nationalities Affairs Commission Zhu Muzhi, Zhou Weizhi, Lin Mohan, Ren Ying, and Lobsen, as well as personages of the Beijing theatrical circle -- a total of over 1,000 people -- watched the brilliant performance. After the performance Xi Zhongxun and others ascended to the stage to congratulate the performers on their successful performance and to be photographed with them.

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'MASSIVE' PROJECT PLANNED TO DEAL WITH HUANGPU POLLUTION

HK200351 Beijing CHINA DAILY in English 20 Feb 86 p 1

[By staff reporter Su Zhen]

[Text] Shanghai -- A massive project to tackle pollution of the Huangpu River entered its final planning stages at a high-level conference in Shanghai this week. An appraisal panel announced that the huge research project, based on a massive body of data, was both scientific and practical. The massive project was put on the list of the State's top scientific research projects during the Sixth-Five-Year Plan (1980-1985). The environment protection project, with research funds of 5 million yuan from the central government, covers research on the assimilation capacity of Dianshan Lake, the water resources of the Huangpu, a feasibility study on tapping water upstream for human consumption and a report on the effects of that water on public health.

According to Chen Xingchu, director of the urban construction department of the city committee of science and technology, two key projects are already underway.

One billion yuan is being spent on piping much cleaner water from upstream into the city for domestic use through 69.9 kilometres of new canals and pipes, which are expected to be finished by 1987.

Another project -- cleaning up the pollution downstream -- has also been accepted by the State Planning Committee. With a budget of 1.5 billion yuan, ($540 million), the project aims to divert waste from the Huangpu and Suzhou rivers into purification plants and eventual discharge into the Yangtze River Estuary. Work on the project is expected to begin later this year. The first step is to intercept and clean waste water flowing into the Suzhou River by 1992 and then extend the project to the Huangpu River by 1996.

The Australian government has been giving technical assistance through its Australian Development Assistance Bureau. Between 1982 and 1983, the Australians offered 4.78 million Australian dollars ($4.2 million) in aid. The Huangpu River project has also caught attention of the World Bank, which sent a delegation late last year to study the project. The World Bank has since agreed to contribute $100 million to the project.

To prevent the Huangpu River from getting worse, the Shanghai government has passed laws curbing the amount of waste discharged by factories along the river and its tributaries. All factories now have to obtain a special license before they are allowed to discharge waste into the river, and are charged for their discharges. Factories dumping excessive amounts of waste will be fined.

The pollution problem of the Huangpu River has been critical for a long time. The average daily flow of waste water is about 4.90 million tons, of which more than half is directly discharged into the river. The Suzhou River, its tributary, is murky and stinks almost all year. Letters of complaint have been piling up on the desks of city leaders, and many state leaders have also called for urgent measures to tackle the problem.

GUANGDONG ISSUES SPECIAL ACCOUNTING REGULATIONS

HK190919 Beijing ZHONGGUO XINWEN SHE in Chinese 1350 GMT 14 Feb 86

[Text] Guangzhou, 14 Feb (ZHONGGUO XINWEN SHE) -- The Guangdong Provincial People's Government today promulgates accounting management regulations governing foreign-related enterprises in Guangdong Province's special economic zones. The regulations were approved by the 17th Session of the Standing Committee of the 6th Guangdong Provincial People's Congress on 25 December 1985.

The regulations govern special economic zones' Sino-foreign capitalized enterprises, Sino-foreign cooperatively run enterprises, foreign-capitalized enterprises, and Sino-foreign limited-liability companies (hereinafter called foreign-related enterprises in special economic zones).

The regulations point out that foreign-related enterprises in special economic zones should follow the accounting system of the Ministry of Finance in drawing up their own accounting regulations. These enterprises should submit their accounting regulations to the urban financial and taxation bureaus in the zones. The accounting work of foreign-related enterprises in special economic zones should be managed by the urban financial bureaus in the zones. Foreign-related enterprises in special economic zones should establish their acccounting offices in the zones, staff these offices with accountants, and carry out independent accounting.

The regulations stipulate that foreign-related enterprises in special economic zones should hire chief accountants. Small enterprises can have their accountants appointed by their boards of directors, and these accountants will exercise the functions and powers of chief accountants. Chief accountants will assist general managers in exercising leadership over enterprises' financial and accounting work. The board of directors is responsible for recruiting candidates to fill the posts of chief accountant.

There is no need for small foreign-related enterprises in special economic zones to hire auditors. Auditors are responsible for checking enterprises' revenues and expenditures, account books, receipts, and account statements. Auditors will be hired by the board of directors.

The regulations provide that foreign-related enterprises in special economic zones must subject their accounts to supervision and examination by the urban financial bureaus and taxation organs in the zones. They should provide the necessary account vouchers, account books, and other account details for the financial bureau and taxation organs, and must not hold back their account details or make false accounts. The enterprises concerned are responsible for paying the fees for checking accounts.

Either side of Sino-foreign cooperatively run enterprises or Sino-foreign capitalized enterprises is entitled to check enterprises' account books, and the fees for checking will be borne by the side which checks the accounts. If necessary, problems discovered in the course of examination should be submitted to the enterprises concerned for study and settlement.

The regulations point out that the urban financial bureaus in special economic zones have the right to order foreign-related enterprises which have violated the stipulations in the regulations to correct their mistakes within the prescribed time.

The financial bureaus can impose a fine of between 100 and 1,000 yuan on the enterprises which have violated the regulations, and if the enterprises fail to correct their mistakes within the stated time, the urban industrial and commercial administrative bureaus in special economic zones have the right to order them to stop business.

Any managerial personnel, accountants, or other persons making false accounts or destroying account vouchers and account books will be given administrative punishments by the foreign-related enterprises concerned. Serious cases will be dealt with by taxation organs, which will order the perpetrator to compensate for the economic losses incurred and to pay a fine not exceeding 10,000 yuan. Criminal cases will be dealt with by judicial departments.

The regulations also govern the accounting management work of enterprises run in special economic zones by individuals or economic organizations of Overseas Chinese, Hong Kong and Macao compatriots, and Taiwan compatriots.

The regulations will come into force on 1 March 1986.

GUANGDONG ACTS TO SOLVE TRAFFIC PROBLEMS

HK180830 Beijing CHINA DAILY in English 18 Feb 86 p 3

[Text] Guangzhou -- A major road construction programme has made significant progress in helping ease the crowded traffic conditions in Guangzhou, the biggest city in the southern part of China, and further improvements lie ahead. In recent years, automobiles and bicycles have increased by 20 percent annually, and today there are 180,000 cars and 1.52 million bicycles, Shi Anhai, deputy mayor of Guangzhou told CHINA DAILY. Last year, the city began a three-year programme aimed at solving the problem of traffic jams, and to date it has made notable progress. Shi said that among other things the city invested 97.9 million yuan last year in completing the construction of the new Guangzhou Bridge, 988 metres long and 24 metres wide, the third one across the Pearl River. Besides, he said, five major roads were paved or expanded last year, all of them 50 to 80 metres wide and a total of 15 kilometres in length.

"There is a traffic relaxation at present," Shi said, "but traffic jams still exist at some of the crossroads, especially during rush hours. So, we shall redouble our efforts to further improve the city's traffic." In the next two years, Shi said, with about 400 million yuan from the provincial and municipal governments as well as from the city's enterprises and institutions, the city will complete the fourth Pearl River bridge, a giant suspension span. A four-kilometre-long upper road will be soon built above Remin Road from the Pearl River to the railway station. Construction of a passenger tunnel at the crossroads in Qiyi Road and a fourlane underwater tunnel from Huangsha to Fancun will also start this year. Before the Sixth National sports meet in Guangzhou in 1987, the city will probably complete a 40-kilometre-long expressway around the metropolitan area, linking with highways to Foshan, Shenzhen and Zhuhai. The expressway will carry about 80,000 automobiles a day, the deputy mayor said.

PLA UNIT HELPS CONSTRUCTION OF HENAN BRIDGE

HK190145 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 18 Feb 86

[Excerpt] Work on the roadbed construction project on the northern bank of the Huang He, which is being undertaken by a certain PLA group army in support of building the Huang He road bridge at Zhengzhou, started on 18 February. Qin Kecai, member of the Standing Committee of the provincial CPC Committee and vice governor; (Zhu Chao) and (Li Chunting), leading comrades of the group army; and 1,000 commanders and fighters attended the ceremony held at the work site to mark the start of construction work. The Huang He road bridge at Zhengzhou is currently China's longest road bridge. It is a key Henan project for the Seventh 5-Year Plan.

HENAN TO IMPLEMENT SPARK PLAN FOR RURAL AREAS

HK190143 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 18 Feb 86

[Text] The provincial CPC Committee and government have concentrated powers, finance, and brains to promote the implementation of the spark plan in the province as soon as possible. The provincial CPC Committee and government have decided that Vice Governor Qin Kecai and responsible comrades of the provincial science and technology commission, rural economic commission, and finance and civil affairs departments should be responsible for leading the implementation of this plan. Arrangements for spending the 100 million yuan allocated to the plan have been made.

The provincial CPC Committee and government have formally set three targets for the spark plan: During the Seventh 5-Year Plan, the province and the prefectures, cities, and counties should propose about 200 advanced sample projects each year which are worth popularizing; some 50 whole sets of advanced technology and equipment suited to the needs of rural areas and township enterprises should be developed each year. During the Seventh 5-Year Plan, centering on the spark plan and in accordance with the needs of rural areas and township enterprises, the province and the prefectures and counties should hold short training courses for 500,000 to 600,000 people, to instruct in one or two fields of applied technology.

PEASANT INCOMES SOAR IN HUNAN PROVINCE

OW131733 Beijing XINHUA in English 1522 GMT 13 Feb 86

[Text] Changsha, February 13 (XINHUA) -- The average annual income of peasants in Hunan Province last year soared 20 percent over 1984, despite a long dry spell in the major rice-producing region, according to the provincial agricultural bureau today. The figure is now more than 410 yuan per person in the countryside, compared to the national average of about 400 yuan.

Due to a dry spell of more than 100 days in early summer and reduction of growing area, the province's grain output decreased by one million tons from 1984 to 24.5 million tons. But thanks to the development of cash crops, forestry, animal husbandry, sideline occupation and fisheries, the agricultural output value still went up by 12 percent from 1984 to reach 19 billion yuan. Meanwhile, the output value of 450,000 rural factories soared 47 percent to reach 9.5 billion yuan. Now 7.3 million peasants, or one-third of the province's total, are engaged in industry and service trades, the bureau reported.

SICHUAN'S YANG RUDAI VIEWS CURRENT SITUATION

HK190257 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 18 Feb 86

[Excerpts] On 17 February the Sichuan Provincial CPC Committee invited responsible persons of the provincial CPPCC, democratic parties, and mass organizations, together with well-known nonparty figures, to a forum to report on the situation in economic work and in improving party style in the province and on arrangements for this year's work, and to listen to their views.

Provincial CPC Committee Secretary Yang Rudai spoke on the province's achievements in various fields last year, the work arrangements for 1986, and the correction of party style. He said: Last year the province's total industrial and agricultural output value rose by 12.1 percent. Financial revenue rose by a record 1.23 billion yuan. The four excessive things in economic work were basically brought under control. Second-stage party rectification has been completed. Notable success has been gained in correcting new unhealthy trends.

In our work this year, the province must continue to implement the spirit of the National Conference of Party Delegates, and while grasping economic work well, devote more effort to building socialist spiritual civilization. We should concentrate on enhancing the exemplary role of the provincial organs in correcting party style, strengthen and improve ideological and political work on all fronts, and seriously launch grassroots party rectification in the rural areas.

He said: The experiences of history show that, no matter what the problem is, so long as the CPC Central Committee grasps it, the whole party will rapidly grasp it also, and the greatest problems and difficulties can be surmounted. We should be full of confidence in correcting party style. The view that it is hard to bring about a turn for the better in party style is out of line with reality. Viewing things in a truth-seeking way, although there are many probelms in party style, and some of them are very serious, the main current of party style is good and is developing in a good direction.

Yang Rudai said: Viewing the province as a whole, the unhealthy trends of party and government organs and cadres running businesses and enterprises, randomly issuing bonuses, subsidies, and clothing, arbitrarily hiking wages, showing and duplicating pornographic videotapes, randomly printing vulgar tabloids, and selling automobiles, steel, and so on for profit have been either basically curbed or greatly reduced. Since the second half of last year, we have devoted great efforts to investigating and dealing with major and important criminal cases. Half of the cases dealt with by party and discipline inspection committees at and above county level have been submitted to the courts. Regarding the practices of buying important cars, going on trips abroad, reception work, spending public funds on tourist trips, making money by improper means, and using powers to run businesses and so on, mentioned in the urgent central circular on correcting new unhealthy trends, the provincial CPC committee and government have carried out serious comparison and examination, taken stock of the problems, and put forward ways of solving them.

However, the provincial CPC committee holds that there are still many problems in party style in the provincial organs and in the province as a whole, and some of them are rather serious. The main manifestations are as follows:

1. Some cadres lack drive and a strong sense of responsibility. They lord it over everyone and are divorced from the masses. They fail to investigate and study the new problems in reform, and ignore and fail to take action against malpractices and in major and important criminal cases. When something crops up, they pass the buck among each other.

2. There is conspicuous political liberalism in some units and among some comrades. They fail to undertake serious study or investigation but instead make irresponsible comments and even believe and pass on slander and gossip.

3. Some unhealthy trends have not yet been curbed, and some already curbed crop up again the moment there is a little relaxation.

Comrade Yang Rudai said: In accordance with the intentions of the central authorities, and in connection with Sichuan reality, the provincial CPC committee recently decided after serious discussion to grasp the following work in correcting party style this year:

1. Concentrate forces to curb malpractices. First, in the first half of the year, we must curb the six unhealthy trends mentioned in the urgent central circular. Methods already proposed for correcting things must be implemented properly. The provincial organs must set an example.

2. Continue to get a good grasp of investigating and dealing with major and important criminal cases. Resolute blows must be dealt at speculation, swindling, smuggling and peddling contraband, and bribery, corruption, and embezzlement.

3. Strictly straighten out discipline. In order to curb the unhealthy trends and strive for a fundamental turn for the better in party style, it is essential to be resolved to straighten out party discipline. We must also straighten out discipline in personnel affairs, economic and financial matters, foreign affairs, keeping secrets, and in propaganda.

4. Seriously grasp education in a party spirit. Bad party style arises from weak party spirit. At present we must pay particular attention to correcting individualism, bureaucratism, and liberalism within the party.

The key to getting a good grasp of these four things lies in the whole party working to improve party style. The party committees at all levels and the party organizations on all fronts and in all departments must seriously tackle this job. The principal leading comrades must personally grasp it.

I hope the comrades outside the party will criticize problems in our work and party style, and exercise supervision. They should expose serious problems.

Xie Shijie, member of the Standing Committee of the provincial CPC Committee, conveyed the spirit of Central Document No 1 of this year and introduced the rural economic situation last year and the arrangements for rural work this year.

WU JINGHUA ATTENDS XIZANG PRAYER CEREMONY

OW171717 Beijing XINHUA in English 1650 GMT 17 Feb 86

[Text] Lhasa, February 17 (XINHUA) -- A thousand lamps illuminated the Qoikang monastery as they did nearly 600 years ago when the traditional Tibetan prayer ceremony began here today for the first time in 20 years.

More than 1,000 lamas from lamaseries and temples throughout Tibet gathered at the festival decorated monastery early this morning and began to pray under the leadership

of Buimi Qambalocha, vice-president of the Tibetan branch of the Chinese Buddhist Association. Buimi holds the scholarly rank of first class gehsi, the highest in lamaism.

At noon, Bainqen Erdini Qoigyi Gyaincain, honorary president of the association and vice-chairman of the Standing Committee of the National People's Congress, China's legislature, spoke to the more than 10,000 Buddhists assembled for the event. He said resumption of the prayer ceremony after its official suspension at the start of the "Cultural Revolution" in 1966 "shows the commitment of the Communist Party toward minority nationalities and the Tibetan region." For their part, Bainqen told the Buddhists they should "contribute to national unity and the economic development of your hometowns."

The ceremony will last ten days and will include jo'nga-qoiba, the traditional lamp festival, along with oral examinations to test the qualifications of candidates applying for gehsi, the Buddhist doctorate in theology. The prayer ceremony, first performed in 1409, was initiated by Zong Kaba, founder of the yellow sect of lamaism, to revitalize Tibetan Buddhism and promote religious discipline. More than 10,000 lamas of various lamaist sects and hundreds of thousands of followers flocked to Lhasa for the ceremony, which was performed annually until 1966.

Since 1979, when the Chinese Communist Party's policy on religious freedom began to be more strictly enforced, religious activities have returned to normal ceremony, prayer ceremonies have since 1979 flourished in individual lamaseries and temples.

Among those present at today's ceremony were Tibet regional party secretary Wu Jinghua, wearing traditional Tibetan clothes, and Pagbalha Geleg Namgyai, vice-chairman of the regional People's Congress Standing Committee, and other local government leaders. Also participating were lamaist followers from Qinghai, Sichuan, Gansu and other places in China as well as some Tibetans who came from abroad for the ceremony.

LAMAS RETURN FROM INDIA FOR XIZANG CEREMONY

OW191919 Beijing XINHUA in English 1912 GMT 19 Feb 86

[Text] Lhasa, February 19 (XINHUA) -- Ten lamas, who left their Tibetan homes in 1959 for India, have returned here to visit their relatives and attend the Buddhist prayer ceremony now going on at the Qoikang temple.

One of them, 50-year-old Qamba Toinzhub, said the centuries-old ceremony -- performed this year for the first time since 1966 -- is "being done just as the canons say it should." The lama said he was surprised to see Wu Jinghua, secretary of the Tibet Autonomous Regional Party Committee, participate in the ceremony. "I never expected him to come, to present a khata (a ceremonial silk scarf) to the Bainqen Lama and to give donations," he said. A lama who once lived at the Gandain monastery said he was particularly pleased to see young lamas at the ceremony. "This shows that Buddhism in Tibet will continue," he said.

The lamas said they plan to attend the Tibetan lamp festival and other activities bef re returning to India.

GANSU CIRCULAR LISTS ABUSES BY LANZHOU CADRES

HK190645 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 17 Feb 86

[Text] Recently the provincial Discipline Inspection Commission transmitted to other areas the Lanzhou Discipline Inspection Commission circular on the leading cadres of Lanzhou City tap water company, who abused their authority and continued to make mistakes during party rectification.

The circular of Lanzhou City Discipline Inspection Commission said: In 1984, (Li Yuquan) and (Li Qinglu), party secretary and manager of the city tap water company; as well as other comrades, flaunted the banner of reforms while misappropriating more than 798,000 yuan of public funds. They arbitrarily gave over 270 yuan in bonuses, payments in kind, and garments to each worker on average; and more than 1,000 yuan to each of the company's nine leaders on average. Both (Li Yuquan) and (Li Qinglu) took more than 1,300 yuan each, or more than five times that taken by a worker. In addition, they cheated the workers and gave 17,750 yuan of red-packet money to 75 cadres at and above the section level. They misappropriated over 5,800 yuan of public funds for entertaining and giving gifts to guests. But the most serious mistake is that they covered up their mistakes and cheated the party organization while the organization at the upper level was examining vouchers.

The circular pointed out: Such problems developed when the city was carrying out party rectification. Thus, it is a case in which the leaders knowingly violated discipline. In order to correct party and administrative discipline, and to ensure smooth progress in economic structural reform, the city CPC Committee has decided to remove (Li Yuquan) and (Li Qinglu) from their offices of party secretary and CPC Committee members of the Lanzhou City tap water company and to suggest the administration remove (Li Qinglu) from the office of manager of the company. Those three comrades, including deputy party secretary (Zhang Zhishou), who took part in the activities were given disciplinary warnings. The provincial CPC Committee also proposed corresponding suggestions on the bonuses and garments arbitrarily given by the leaders.

When transmitting this circular, the provincial Discipline Inspection Commission solemnly pointed out: Despite repeated injunctions of the central authorities on banning the practice of arbitrarily giving bonuses and payments in kind, the leadership of the Lanzhou City tap water company paid no attention to this and continued to commit mistakes. This has once again shown that in order to check unhealthy tendencies, we must uphold the principle of acting resolutely and unremittingly. Whoever violates party discipline or state laws must be dealt with seriously. Everyone is equal before discipline. The circular urged all party members and cadres, particularly leading cadres, to draw lesson from this case. They must at all times handle matters in accordance with party policies and observe party discipline.

NINGXIA REGULATIONS ON IMPROVING WORK STYLE

HK190551 Yinchuan NINGXIA RIBAO in Chinese 31 Jan 86 p 1

["Regional CPC Committee and Government Regulations on Improving Organ Work Style"]

[Text] Based on the spirit of the relevant central circular, the following are several regulations on improving the regional party and government organs work style:

1. It is forbidden to hold receptions under various pretexts, taking advantage to eat and drink to one's heart content; the money spent on food should not exceed the stipulated standards for any kind of meetings; the principle of being industrious and thrifty and practicing economies should be observed even when tea parties and forums are indispensible during festivals, and nothing more than a mug of tea will be provided for the participants.

2. It is forbidden to hold banquets, send gifts, or issue sourvenirs with public funds. With the exception of the wounded and the sick, dependents of soldiers and revolutionary martyrs, and retired elderly cadres, to whom appropriate gifts may be presented during visits, no gifts should be brought during a visit.

3. It is forbidden to include a lot of people when leading cadres go out, and they should all take a light vehicle accompanied only by a small entourage. It is forbidden to go in for ceremonious welcomes and send offs when traveling between various locaties. With the exception of those people who are involved in the work, other leading members should not accompany the leading cadres.

4. It is forbidden to hold welcoming or send off parties when leading cadres go to grass-roots units to inspect work. It is forbidden to treat them with cigarettes, fruit, or other kinds of food, or to serve wine in the course of meals. Those who take meals at grass-roots units should pay for them according to the stipulated prices.

5. It is strictly forbidden to send gifts to leading organs and leading cadres at the expense of public funds, and it is forbidden for leading organs and leading cadres to accept or ask for gifts.

6. Those cases involving the purchase and reneval of imported high-quality cars in violation of the regulations should be seriously investigated and dealt with according to the regulations.

7. It is forbidden to travel on public funds, and visits and study outside the province should also be strictly controlled. It is forbidden to travel in the guise of visiting, studying, and participating in meetings.

8. It is forbidden to distribute bonuses, subsidies, or goods in kind arbitrarily under any pretext during festivals.

9. It is forbidden to take advantage of one's position to use public cars for personal affairs. If there is an actural need to use a public car, fare must be charged according to the regulations.

10. It is forbidden for leading cadres at all levels to leave their posts without approval. If responsible persons of various regional departments should leave the region for meetings, visits, or study, their departure should be approved by the responsible leadership of the region.

PAPER VIEWS U.S. INFLUENCE IN PHILIPPINES

OW190259 Taipei CNA in English 0240 GMT 19 Feb 86

[Text] Taipei, Feb. 18 (CNA) -- A leading newspaper in the Republic of China said Tuesday that the increased political unrest and crises in the Philippines have created many abnormal phenomena, including U.S. intervention in the Philippines" internal affairs. The UNITED DAILY NEWS, inan editorial Monday, said the U.S. cannot help but get involved in the Philippines political disputes because of its role as a leader of the free world and its strategic interest in the island nation. It is an undeniable fact that both the American people and the U.S. Covernment have applied certain pressures on the Philippines related to that nation's internal affairs, but it is very doubtful if such pressure has produced the anticipated effects, the paper said.

The editorial said that basically, the motive for the U.S. intervention is to prevent non-communist nations from being communized and to make sure that the process of democracy will continue in those nations. But unfortunately, the U.S. seems to have been neglectful of communist influence, which is the most serious threat to the process of democracy, the paper said. Indulging in its appeasement policy, the U.S. so far has not come up with any effective measures to counter communist expansion, but instead it has often criticized the internal affairs of its allies, thus drawing strong protests from the people there, it said.

The editorial pointed out that economic development and democratic politics are the most effective means to deal with communism and to ensure stability. The U.S. will only create more political unrest in friendly nations if it simply requests its allies to carry out democracy while failing to provide a solid base for their economic development and to indtroduce effective strategies to deal with communist insurgencies, the paper said.

CHINA POST ON PHILIPPINES ELECTION CONTROVERSY

OW200510 Taipei CHINA POST in English 17 Feb 86 p 4

[Editorial: "Implications of the Philippine Election"]

[Text] The Philippine National Assembly on Saturday proclaimed Ferdinand E. Marcos President of the Philippines for another six years, amid widespread charges that the vote was influenced by fraud. The controversial presidential election may trigger still greater unrest in a country already plagued by turmoil. How the Philippine situation will evolve is anybody's guess, but we hope that it will head toward stability.

The Feb. 7 election was accompanied by much violence and bloodshed. Marcos' challenger -- Corazon Aquino -- displayed much strength and enjoyed obviously popular appeal. This is why Marcos almost failed to succeed, although in the end he emerged with a 1.5 million vote majority over Mrs. Aquino.

Whatever the post-election situation may be in the Philippines, the elction has brought to a climax the political rift and confrontation between President Marcos' government and the opposition. And the situation may deteriorate further if mass demonstrations are staged in protest of the alleged election frauds. Many moderate Filipinos may become radical.

A surge in violence and chaos in the Philippines would give the Communists in the country an excellent opportunity to spread revolution and even to seize power. That would certainly be unfortunate for the free world in general and neighboring countries and the United States in particular.

In the interest of peace in Asia and the rest of the world, the Marcos government should be prodded into reform. And President Marcos himself should act rationally by ccoperating with the United States in improving the political and economic situations in his own country.

The present state of affairs of the Philippines has important implications for the Republic of China on Taiwan. Here, we are much better off. We have a stable political situation and a dynamic economy. And the ROC government is devoted to national development and committed to democracy. Everyone here should value the progress and stability that we have today. While democracy must be promoted further, the goal should be pursued peacefully and patiently. Otherwise, we could easily lose all that we enjoy.

CHIANG CHING-KUO SPEAKS AT KMT COMMITTEE MEETING

OW180547 Taipei CHINA POST in English 13 Feb 86 p 4

[Excerpts] President Chiang Ching-kuo yesterday called on all comrades of the ruling Kuomintang to embark upon the 14 development projects in the coming year so as to lay a solid foundation for the nation's basic development. In the Year of the Tiger, President Chiang also urged all KMT members to come into closer contact and communication with citizens' groups and provide them with assistance and service to benefit the people.

Yesterday was the first day for public servants to return to their work after the four-day Chinese Lunar New Year holiday. The ruling party took the opportunity to convene a Central Standing Committee meeting. When President Chiang, in his capacity as the KMT Chairman, arrived at the meeting, all gave him a standing ovation. In return, Chiang wished the committee members a happy new year, good health and a continued progress with the party's work.

Chiang especially inquired on the conditions of the New Year holiday from Taiwan Governor Chiu Chuang-Huan, Taipei Mayor Hsu Shui-teh and Kaohsiung Mayor Su Nan-cheng. President Chiang especially extended his greetings to Mayor Su and Chao Tze-chi, Secretary General of the KMT's Policy Coordination Committee. Both have undergone surgery recently.

KMT MEETINGS TO BEGIN 29 MARCH, LAST 3 DAYS

OW191005 Taipei CNA in English 0935 GMT 19 Feb 86

[Text] Taipei, Feb. 19 (CNA) -- The Third Plenum of the Kuomintang's 12th Central Committee and the Third Conference of the party's Advisory Committee will last three days instead of the originally-scheduled two, the ruling party's Central Standing Committee decided Wednesday.

The two conferences, which will open simultaneously on March 29, will hear a report on the party's various programs by Mah Soo-lay, secretary general of the Central Committee, and work reports by the Executive Yuan, the Legislative Yuan, the Judicial Yuan and the Examination Yuan, and reports on the mainland situation, military preparedness and the international situation by the concerned agencies.

XU JIATUN ELABORATES ON MACAO POLICY, TALKS

HK181450 Hong Kong WEN WEI PO in Chinese 14 Feb 86 p 1

[Report from Macao: "Sino-Portuguese Talks To Begin This Year; Xu Jiatun on Policy Toward Macao"]

[Text] Xu Jiatun, director of the Hong Kong branch of the XINHUA, said yesterday that the talks between the Chinese and Portuguese governments on Macao's future will be carried out this year. When he answered the questions asked by reporters, he said that in the future, China's policy toward Macao will continue to embody the spirit of "Macao people governing Macao." Ge said that, as always, the Chinese Government will consider the actual situation in Macao, take better care of the interests of the compatriots of all strata and circles in Macao, and show concern for the interests of the Portuguese people in Macao.

Director Xu Jiatun went to Macao yesterday to extend Spring Festival greetings to various circles in Macao. At a tea party sponsored by the Macao Chinese General Chamber of Commerce, Macao Laborers General Union, and cultural circles, he said: This year is an important year for Macao. The work concerning the talks on Macao's future will be carried out this year. He pointed out that Macao will enter a new historical stage. Under the guidance of the principle of "one country, two systems," on the basis of the traditional friendship between China and Portugal, and on the basis of the experience of the Sino-British talks which have satisfactorily solved the Hong Kong issue, it is believed that the talks will be carried out smoothly and the Macao issue will be solved better and more correctly.

He said that during the talks, the CPC Central Committee and the State Council will consider Macao compatriots' interests. In a speech, he praised Macao for its previous achievements in its economic and other spheres. He hoped that the people of all circles in Macao will unite as one, promote the development of the talks, and maintain the prosperity and stability of Macao society.

Answering reporter's question on whether the Sino-Portuguese talks will be held next May as is rumored, Director Xu said: "No." He said that the actual date had not yet been decided at present. We have to wait for the results of the presidential election in Portugal. Only then can the Chinese and Portuguese governments discuss the details and date of the talks. However, Director Xu also said that the Portuguese presidential election would not affect Macao's future.

The second round of voting in the Portuguese presidential election will finish on 26 February [as published] At that time a new Portuguese president will be elected.

Accompanied by Deputy Director Zheng Hua and Deputy Secretary General Qiao Zonghuai, director Xu arrived in Macao at 1430 yesterday by boat from Hong Kong. He was welcomed by Ko Chengping, chief manager of the Nam Kwong Trade Company, and Li Yaochi and Wang Wenpin, deputy chief managers of the company, Ma Wanchi of the Macao Chinese General Chamber of Commerce, and others. At 1500 Director Xu and his party went to the Chamber of Commerce, at 1600 to the Federation of Trade Unions, and at 1700 to the Pui Tou Middle School, where he extended Spring Festival greetings to and greeted the arrival of the Year of the Tiger together with over 200 people of the Macao, industrial, commercial, women's, neighborhood, medical, workers, fishermen's, vegetable farmers, hawkers, educational, press, cultural, sports, youths, and students circles. At 2100 Xu Jiatun and his party left Macao for Hong Kong.

MING PAO REPORTS CONTINUED CRACKDOWN ON CRIME

HK190349 Hong Kong MING PAO in Chinese 18 Feb 86 p 5

["Special dispatch from Beijing": "Ministry of Public Security Holds Telephone Conference on Cracking Down Further on Crime"]

[Text] Liu Wen, director of the Criminal Investigation Bureau of the PRC Ministry of Public Security, has said that following the New Year holiday, various serious crimes such as snatching guns, murder, robbery, rape, theft, and so on have taken place successively in every locality, and that these crimes are savage, cruel, and vile and have resulted in serious consequences.

During the telephone conference called by the Ministry of Public Security on 28 January, Liu Wen stressed the current public order situation. He emphatically pointed out that this is a signal which merits attention and that it is imperative to call on the public security organs at all levels to attach great importance to it, to adopt effective measures, and to promptly stop these serious criminal activities.

Liu Wen stressed the four characteristics of the recent serious crimes: First, criminal crimes caused by the intensification of civil disputes are very outstanding. Second, in the cases of theft as well as snatching guns, robbery, murder, and so on, most criminals are driven by money to use every vile means to commit crimes. Third, as personal desires are not satisfied, some people deliberately create disturbances to take their revenge on the society. Therefore, some destructive sabotage and the wounding and killing of innocent people have taken place. Fourth, some cases which were rare in the past and involve savage and cruel criminal means have occurred.

This director of the Criminal Investigation Bureau asked public security organs at all levels to seriously analyze the trend of public order and the tendency in criminal activities and strengthen the measures for investigation, control, and prevention of crimes in light of the outstanding problems and the law in recent criminal cases. Whenever violent criminal activities break out, it is imperative to be quick in responding, investigating, and clearing up the cases. Therefore, it is necessary to organize the investigative forces well and persist in a round-the-clock alert to meet emergencies at all times. It is necessary to take vigorous measures to crack down on recidivists and persist in severely and promptly punishing them according to the law. Meanwhile, it is necessary to choose and energetically propagate some typical cases which are serious but have been uncovered, so as to inspire the people and frighten criminals.

The telephone conference was presided over by Vice-Minister Yu Lei. He pointed out that the increase in serious crimes is a result of many factors. However, as long as preventive work is done well, administrative work is kept up, and loopholes are plugged, serious crimes can be reduced. Public security organs in every locality must adopt effective measures against serious crimes and realistically strengthen investigative work, so as to promptly solve these cases and improve social order.

In coordination with the telephone conference, the Ministry of Public Security has issued an urgent notice demanding that public security organs at all levels and the security departments of railroad, highway, and shipping units strengthen the inspection of passengers' luggage and cargo, so as to remove hidden troubles and to prevent accidental explosions on passenger trains, motor vehicles, and ships, and strengthen the antiviolence security work in factories, mines, enterprises, and public places. The notice points out that following the New Year holiday, there have been many cases of malignant explosions deliberately caused by criminals, resulting in serious losses of lives and property.

TA KUNG PAO CITES IMPROVEMENTS IN PLA WEAPONS

HK190329 Hong Kong TA KUNG PAO in Chinese 15 Feb 86 p 3

["Special Feature" by Mu Chi: "New State of Weaponry in China's Three Armed Services"]

[Text] The latest issue of the Japanese magazine MILITARY DIGEST says that China has made progress in its military technology in recent years and has markedly improved its Army's weapons, which now approach the advanced level of Western countries. This was shown in the National Day parade in 1984 and in the international military exhibition in Beijing in January this year. From these events, people can perceive that although China puts military development in a less important position in its "four modernizations" program, China's military technology has still made substantial progress.

Communications Equipment Has Been Improved

Ground Forces: China's infantry has begun to use 5.56-mm automatic rifles, whose performance is close to the American-made M-16.

The communications equipment of the infantry units has been improved. They no longer use signal machines which were apt to be jammed as during the Chinese-Vietnamese war. The present communications equipment has the capacity to resist interference and is secure.

The infantry is equipped with advanced antitank launchers, which have a higher penetrating capacity than the "40 grenade launchers" and can be operated more efficiently under all weather conditions.

The Chinese Army now has motorized infantry units, equipped with armored personnel carriers with a turret and a 90-mm gun, new-type 6-wheeled amphibious armored cars, and the "531-1" tracked armored vehicles. These three new models of fighting vehicles can operate under all weather conditions.

A number of new types of tanks are being produced in large quantities, including the latest models of the type "62" and "59" tanks. They are all equipped with laser rangefinders and rapid calculators so that they have night fighting capability. In addition, China is trying a new type of tank which is similar to the British "Challenger" tank. ("Challengers" are the latest model of tanks in service in the British Army.)

China's anti-aircraft units have been equipped with many new weapon systems, including a short-range anti-aircraft missile similar to Sweden's RBS-70 missile and an anti-aircraft system composed of guns and missiles similar to the Swiss "tianlo-maque" [tian lup-ma que 1131 5012-7802 7158] anti-aircraft system. [as published]

The Capability for Short-Range Deployment

The Air Force: China's Air Force has the capability to make rapid short-range deployments, because it possesses medium-range transport planes and medium-range helicopters, although it still cannot make rapid long-range deployments.

The improved models of "Jian 7" and Qiang 5" fighters have been widely deployed and sold on the overseas market. Egypt and Pakistan are the main buyers of these planes. These two types of planes are equipped with advanced electronics equipment made by Britain. Although they cannot match such sophisticated planes as the F-14 and F-15, they have ordinary combat capability.

Among the various models developed in China, one is well-known to the world because it is being developed with the help of the U.S. Air Force. Some reports say the model is called "Jian 8," but in fact it may be "Jian 10" or "Jian 11."

In the field of air-to-air combat, Chian's fighters are now equipped with the improved model of "Pili [Thunderbolt] 2" short-range missiles, which are said to be similar to the American-made "AIM-9L" missiles. In addition, China has succeeded in developing a new type of radar-guided air-to-air missile. It is said that its appearance is similar to the American "AIM-7" missile.

China Begins To Build Small Aircraft Carriers

The Navy: A new missile-launching frigate has been launched. It is said that this ship is equipped with ship-to-ship missiles similar to the French "Exocet" missile and is equipped with an American-made antimissile gun and an American-made LM-2500 turbine.

The "Jiangdong"-class destroyers have been equipped with "Hongqi 61" surface-to-air missiles which are similar to "Sea Sparrow" missiles. This will effectively build up the Chinese Navy's air defense capability.

Many warships for the Chinese Navy have been equiped with "Haiying 4" surface-to-surface missiles, which are an improved model of the Soviet "Styx" missile, and have turbojet engines and electronic countermeasures equipment.

China is developing a small 20,000-ton aircraft carrier, which may be built by improving on the blueprint of the Australian "Melbourne."

China is also building many nuclear-powered submarines which can carry ballistic missiles. These Chinese submarines are called "Xia"-class in the West, and China is building some "Han"-class attack submarines with nuclear power. Advanced submarine technologies of the U.S. Navy are being used in the building of these new submarines.

Because China holds an increasingly important political, economic, and military position in the Far East China's military development will be conducive to the Far East's stability.

NAVY TO IMPROVE OFFICER-SAILOR RELATIONS

HK181438 Hong Kong MING PAO in Chinese 17 Feb 86 p 5

["Special dispatch from Beijing": "Navy Organizes Drive To Respect Cadres, Cherish Sailors"]

[Text] With regard to the estrangement between officers and sailors in recent years, the Chinese Navy has decided to strengthen the leadership of party committees at various levels, to launch a drive of "respecting cadres and cherishing sailors" for the purpose of making the relationships between officers and sailors closer, and to help officers and sailors solve problems regarding their food, housing, recreational, and sports activities.

The Political Department of the Navy issued a circular on 21 January calling on various naval units to launch a drive to "respect cadres and cherish sailors" in the first quarter of this year. The circular set four requirements:

1. Enhancing the level of understanding about the importance of respecting cadres and cherishing sailors: Party committees at all levels should educate officers and sailors so that they understand the importance of strengthening unity between officers and sailors. This has an important bearing on the combat effectiveness of the Navy. Party committees should help officers understand the relationships between officers and sailors, solve the fundamental problem of how to treat sailors, and remove the mentality that makes officers think "it is difficult to train sailors." Party committees should make it clear that the crux of strengthening relationships between officers and sailors lies with officers and that officers should foster a sense of responsibility for cherishing and training sailors. In addition, party committees should also straighten out some confused ideas among sailors and guide them in correctly handling the relationships between their personal demands and the need to build the Navy and to respect and trust officers.

2. Conscienticusly examining the problems in relationships between officers and sailors: On the basis of improving their understanding, party committees at all levels should fully mobilize officers and sailors to examine problems in their relationships, with an emphasis on whether officers have a correct attitude toward sailors, whether they are rude to sailors, whether they insult and punish sailors at will, or whether they are indulgent of sailors' mistakes; on whether military, political, and economic democracy fully observed, whether sailors' rights are respected, whether there is infringement of sailors' interests; and on whether sailors obey orders and respect their officers or contradict their superiors. It is necessary first to solicit opinions through group discussions and public opinion polls and then to hold party branch enlarged meetings for the purpose of reaching unanimity of understanding, criticism and self-criticism, and working out measures for solving problems.

3. Carrying out various forms of activities: 1) It is necessary to encourage heart-to-heart talks between officers and sailors. Officers should take the initiative in having heart-to-heart talks with sailors, in soliciting opinions from them, and in making self-criticism, so as to clear up feelings of estrangement. 2) Officers should help sailors solve their ideological problems as well as problems in their work, study, and life. In this way, sailors will feel the warmth of their care. 3) It is necessary to carry out the activity of officers and sailors learning from each other, to disseminate the good practice of respecting cadres and cherishing sailors, to formulate pacts concerning respecting cadres and cherishing sailors, and to foster the good habit of respecting cadres and cherishing sailors. 4) It is necessary to perfect the democratic system, to improve and consolidate organizations such as companies revolutionary soldiers committees and economic commissions, and to regularly hold companies mass meetings as well as divisional and regimental sailors congresses, so as to ensure the democratic rights of sailors.

4. Improving leadership style: Divisional and regimental party committees and organs under them should conscientiously rectify the habits of officers suppressing democracy, infringing on the interests of sailors, and punishing sailors at will, and should abolish all "self-formulated policies." It is necessary to conscientiously examine how officers have punished sailors in recent years and to find a solution to this problem. Emphasis should be laid on educating and enlightening officers, and the method of forcing everyone to make self-examination should be discouraged.

JOURNAL CALLS BEIJING CADRE 'STAR OF TOMORROW'

HK190731 Hong Kong KUANG CHIAO CHING in Chinese No 161, 16 Feb 86 pp 34-35

[Article by Keng Chun: "Zhang Wei -- A Star of Tomorrow in Chinese Politics"]

[Text] Hu Qili Privately Called Zhang Wei To Find Out About the Situation of Beijing University

On "18 September" last year, a campus upheaval took place at Beijing University, a student strike which attracted the extensive attention of the world community and which Hu Yaobang called a "minor earthquake of 4 on the Richter scale." When the sentiments of the students were most disturbed, apart from maintaining connections with the person in charge of the Beijing University authorities every day through a hot line, Hu Qili, secretary of the CPC Central Committee Secretariat, especially called a young man from Tianjin to find out about the situation at the university. Two days later, the young man directly reported to Hu Qili on what he had found.

This young man with a broad forehead shrouded in considerable mystery is 31-year-old Zhang Wei, general manager of the General Corporation of the Tianjin Economic and Technological Development Zone.

At the end of the past year, I went to Tianjin and stayed in the "Huanggong (Imperial) Hotel." My room was dozens of meters away from Zhang Wei's office. Hence, I got to know this young "star of tomorrow."

I visited him in his office one night, 4 days before he started his tour of West European countries to give lectures there. He was busy drafting his lecture. The moment he finished a page of his lecture, it was immediately translated into English by a female translator who worked next door to him and a typist promptly worked out its English text and sent it to Zhang Wei's desk. He would give lectures in three European countries in English. Eventually, I saw his work style with my own eyes.

Three days later, I got a copy of Zhang Wei's draft lecture. He dealt with matters about which foreign investors were most concerned in concise language. Zhang Wei is a good orator. He is good at penetrating the psychology and characteristics of the audience and foreign businessmen. At the conclusion of his speech, he wrote: "Before finishing my speech, I have to mention the obvious fact that among the 21 enterprises which have been registered in the Tianjin development zone, U.S. and Japanese capital leads. Entrepreneurs from Britain, France, and the FRG have not yet invested in the zone. I think this state of affairs will not last long. We highly appreciate the creative spirit and high technology of our European friends. I firmly believe that so long as these factors are combined with China's labor force and raw materials, they will surely become a competitive economic force that no bloc can take lightly either in the Chinese market and in the world market."

He Was Once Chairman of the Student Union of Beijing University

Zhang Wei was once a middle school teacher and vice principal and a section head of the education bureau in Wuhan City. In 1977 he was admitted to Beijing University's economics department. During his studies at the university, he distinguished himself by his brilliant organizational ability. He was once chairman of the university's student union. When Chinese university students took part in elections in 1980, he was one of the first 3 of the 27 Beijing University students who entered the contest. Since he made no opportunistic remarks just to win votes, he was praised considerably by school authorities. His graduation thesis was entitled "The Problem of Labor Employment in China." In a public graduation appraisal, he received the highest marks throughout his department.

After graduating from the university, he was assigned to work in the investigation and research office of the Tianjin Municipal Government. He drafted important documents for former Mayor Hu Qili, and the present mayor, Li Ruihuan. He was later transferred to be secretary of the Tianjin CYL Committee. In December 1984, when Tianjin set up its economic and technological development zone, Zhang Wei was appointed deputy director of the zone's administrative committee and concurrently general manager of its general corporation.

In the year since he took charge of the Tianjin development zone, he has completed the work in such fields as making preparations for and working out plans and designs for the establishment of the zone, holding related talks and signing contracts, and organizing the construction of the zone. At present, in the section of the zone where the first-phase construction was undertaken, infrastructural facilities such as roads and water, electricity, and heat supplies have been basically completed and industrial building floorspace totaling 108,000 square meters has been put into operation. Twenty industrial projects are expected to go into operation this year. Important CPC officials, such as Peng Zhen, Wan Li, Li Peng,Hu Qili, and Gu Mu have inspected the Tianjin development zone one after another. They highly praised Zhang Wei for the work he had done.

Zhang Wei knows how to make the proper use of personnel. Through a job-invitation system, he recruited and promoted more than 200 people who had special skills and knowledge and were highly energetic, quick, and efficient in work. Among them, those under 35 comprised 60 percent; working personnel with a university or college education constituted 85 percent; and some 100 people could independently hold trade talks with foreign businessmen using a foreign language freely. This phenomenon can be considered rare in present-day China. Moreover, the important departments of the development zone have been manned with highly capable officials. Zheng Huaan, who studied in the Soviet Union and obtained a doctorate in electronics in the 1950's and studied in the United States and earned a master's degree in systems engineering in the early 1980's, did not have the opportunity at a defense industrial enterprise in Tianjin to give full play to his talent for quite some time in the past. After assuming office in the development zone, Zhang Wei determinedly transferred him to the zone as chief economist through a process of observation and study.

Wang Shuzu, first deputy general manager of the development zone, was formerly general manager of the Tianjin second construction company for the Luan He-Tianjin water diversion project, which had made a name for itself throughout the nation. Ye Disheng, another deputy general manager, is an expert in electronics with high prestige in China. These capable persons are separately in charge of the zone's planning, choice of projects, and construction of infrastructure facilities. It was precisely through the efforts of these intelligent and capable persons that a contract was signed in 4 days in the Tianjin Development Zone on the "container repair plant" project, a project on which the Hong Kong Hop Cheong shipping company and China's Ministry of Communications had failed to reach agreement in 2 years; a contract was signed in the Tianjin Development Zone within 3 days on the project for the 4- to 8-tiered circuit boards produced by the Tiansea company of the United States, a project on which no agreement had been struck in other parts of the country after talks which had lasted for 1 year; and a contract was signed in the zone within 2 days on the project for the plastic mold tools of the Japanese (Munekata) company, a project on which no agreement had been reached after 4 years of trade negotiations.

"Make Things Convenient for the Investors and Let Them Make Profits"

Zhang Wei is not the sort of a man eager for quick success and instant benefits. He held: In doing economic work, we must keep the general goal in sight and handle affairs in an enlightened way. The slogan he raised for the Tianjin Development Zone is, "Make things convenient for the investors and let them gain profits." He set strict demands on all units under the zone's jurisdiction and prohibited them from playing underhanded tricks, such as wantonly forcing water and electricity charges up and arbitrarily collecting foreign exchange earnings.

A Person Capable of Managing State Affairs

Some coastal cities in China "are skinning" the inland provinces. However, Zhang Wei advocated that considerate treatment should be given to the poor inland province and autonomous regions. He maintained: Without the raw materials and support of the Chinese hinterland, the development zone cannot last long. He provided funds to run training courses for Ningxia's cadres engaged in foreign economic relations and trade and personally led delegations to Ningxia, Xinjiang, and Nei Monggol to encourage the latter to set up intensive-processing bases for their raw materials in the Tianjin Development Zone with their output value, profits, and taxes going to related provinces and autonomous regions. His propositions met with objections from some people at a mayor's work meeting. However, Zhang Wei retorted: "In assessing the Tianjin Development Zone, we must see how many regions the zone has brought along rather than exclusively judging whether or not the land mass measuring over 30 square kilometers is prosperous." This idea of Zhang Wei was well received by inland provinces and autonomous regions. A middle-aged high-ranking CPC official said: "Zhang Wei is a person capable of managing state affairs."

A man of resource and astuteness, Zhang Wei has a boldness of vision in doing things. Loans at an annual interest rate of 10.8 percent are used to carry out the construction of infrastructure facilities of the development zone. So careful calculation and strict budgeting should be practiced in every accounting. Land levelling required nearly 2 million cubic meters of earth. Zhang Wei proposed the use of public bidding. The government of Tanggu District wherethe development zone is located proposed to undertake the whole project at a price of 12 yuan for every cubic meter of earth and to use local trucks to remove the earth, asking for a considerable sum in management fees. Otherwise, the development zone trucks would be banned from entering the boundaries of Tanggu District. Zhang Wei refused these seemingly harsh, extortionary terms. After telling the public security bureau director about the matter, Zhang Wei said: "I will charge head-on against those who block the development zone's trucks." Subsequently, at a meeting attended experts and scholars, he raised the matter once again. This promptly aroused the indignation of the meeting participants. Officials from the Tanggu District had to see Zhang Wei late at night to beg for mercy and agreed to the zone's proposal for inviting bidders to undertake the land levelling project. As a result, the land levelling fee for every cubic meter of earth turned out to be 10.7 yuan. This saved funds for the zone and caused the official from the Tanggu District to yield willingly.

Zhang Wei is keen on making friends in all quarters. In his opinion, more friends mean more sources of information and with more information sources, it will be easier to handle business dealings in a flexible way. He maintains close ties with many overseas scholars who frequently provide him with the latest economic information. He regularly invites young and middle-aged economists from higher education institutions in Beijing and of the Academy of Social Sciences to provide the Tianjin Development Zone with consulting services. More often than not, Zhang Wei talks freely and to his heart's content with four young economists at Nankai University, dubbed the "four warrior attendants," asks them to ponder major issues concerning the development zone, providing funds for their studies.

Under Zhang Wei's leadership there is a brain-trust research office headed by a 29-year-old director, an office with a staff of just seven people whose average age is just 30. They are professionals in law, economic management, international banking, systems engineering, Chinese, and journalism. They often provide Zhang Wei with high-quality research materials for making major policy decisions.

Of China's 14 coastal cities designated for development, only Shanghai and Tianjin have the right to approve industrial projects involving investment under U.S. $30 million each. The other cities only have the right to examine and approve projects using U.S.$5 million each in investment.

The central government and the Tianjin municipal government empowered Zhang Wei to approve industrial projects with an investment amounting to no more than U.S. $20 million, to directly send telegrams inviting overseas business firms and people without asking permission from the Ministry of Foreign Affairs, and to approve visits abroad by zone personnel. On that account, a well-qualified high-ranking official in Chinese politics said to the reporter, "Tianjin's Zhang Wei is a young man who is worthy of closer attention and full of promise."

COAL PREDICTED TO REMAIN MAJOR SOURCE OF ENERGY

HK130839 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English 13 Feb 86 p 5

[By Paul Sham]

[Text] China will still depend on coal as its major source of energy over the next 15 years despite the country's mounting activity in oil and natural gas exploration, a Hong Kong conference was told yesterday. Joint Authors Mao Jianxiong and Liu Caiquan of China's Tsinghua University said in a paper presented to the conference coal will account for not less than 70 percent of the country's primary energy production in that period. The three-day conference on "Pacific rim coal: consumption, production, trade and technology", is sponsored by Pasha Publications of the U.S.

The writers said China's rich coal reserves and rapid increase in production have made the fuel the country's dominant energy source. China plans to double production from the 1980 level of 600 million tons to 1.2 billion tons in the year 2000. By 1984, its proven coal reserves reached 781.5 billion tons, making the country one of the largest coal producers in the world. China has 53,000 coal mines, among which 500 are state-run, 2,500 province owned, and 50,000 collectively or individually run small mines.

Since 1949, the authors said, coal production has accounted for 68.5 per cent of China's primary energy output, and climbed to 73.7 per cent in 1983. Raw coal production totalled 847 million tons last year, second-highest of any country in the world and more than 26 times output in 1949.

The authors said industry is the main user, accounting for 46.6 per cent of total coal consumption. Some 20.3 per cent goes to power generation, 18.1 per cent to domestic use, 10.6 per cent to cooking, and 4.4 per cent to railway locomotives.

In view of the continuing emphasis on coal as the major energy source, efficient use of the fuel and environmental protection will be the major factors affecting its development in the years ahead, they argued. In contrast to an energy utilisation efficiency rate of more than 50 per cent achieved in developed countries, China has so far managed to attain only 27 per cent efficiency. And the thermal efficiency of industrial furnances and kilns as well as domestic stoves stands as low as 20 to 15 per cent.

The uneven distribution of mines in China underlines the need to upgrade China's technology and management in this respect, the writers added. While most mines are concentrated in northern areas, such as Shanxi, Inner Mongolia and Xinjiang, the major consumers are found in industrial area in northeast and southern China. These industrial areas, including Guangdong, Guangxi, Hunan and Jiangxi, have deposits of low-grade coal, such as lignite, oil shale and anthracite which are difficult to burn with conventional equipment. Further development of combustion equipment which can utilise low-grade coal is therefore necessary. So far, more than 2,500 fluidised bed boilers, which burn low-grade coal, are operating in China, but they are being manufactured in growing numbers, with more than 240 units produced in 1984.

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FOREIGN MINISTRY SPOKESMAN RESPONDS TO QUESTIONS

Soviet Hijacker To Be Tried

OW210914 Beijing XINHUA in English 0843 GMT 21 Feb 86

[Text] Beijing, February 21 (XINHUA) -- China will exercise jurisdiction over a hijacker of a Soviet civilian aircraft and institute court proceedings against him and bring him to trial.

This was announced by a Foreign Ministry spokesman here today in response to journalists on how China would treat the man who hijacked a Soviet civilian aircraft on December 19, 1985. The spokesman said the forthcoming trial was "in compliance with the Chinese law and the relevant international conventions prohibiting unlawful seizure of aircraft." "The judicial organs of China have, upon investigation and interrogation, found that Mr. Alimuradov Shamil Gadzhi Ogly, the co-pilot of the aircraft, had committed the crime of unlawful seizure of a civilian aircraft. The Chinese Government holds that the above-mentioned crime of the hijacker is not only forbidden by the relevant international conventions but also in violation of the law of China," the spokesman said.

After the Soviet civilian aircraft was hijacked and landed in Chinese territory on 19 December 1985, the Chinese Government, in order to ensure the safety of the aircraft and people on board, took effective and immediate measures by giving all necessary assistance to facilitate a safe and prompt return of the 42 Soviet passengers, crew members and the hijacked aircraft back to the Soviet Union, the spokesman added.

Comments on MiG

OW211057 Tokyo NHK Television Network in Japanese 1000 GMT 21 Feb 86

[Text] According to NHK Correspondent Takeda in Beijing, at 1900 this evening Japan time [1000 GMT], a Chinese Foreign Ministry spokesman said that the latest incident was not a defection but a mere accident in training, adding that the Chinese Government has requested that the ROK Government return the crew and the plane.

[Hong Kong AFP in English at 0615 GMT on 21 February in an item on the defection, reports the following: "In Beijing, the Chinese Foreign Ministry, when asked about the South Korean announcement, simply took note of the question."]

Arkhipov To Visit

OW190719 Tokyo KYODO in English 0715 GMT 19 Feb 86

[Text] Beijing, Feb. 19 KYODO -- China confirmed Wednesday reports that Soviet Vice Premier Ivan Arkhipov will visit China in March through April. Arkhipov is to attend a Sino-Soviet forum on economic cooperation, trade and science and technology, Chinese officials said.

LIAOWANG VIEWS NEW GORBACHEV ARMS PROPOSAL

HK200739 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 6-7, 10 Feb 86 pp 46-47

[Article by Li Qinzhen: "A preliminary Analysis of the New Soviet Disarmament Proposal" -- capitalized passages published in boldface]

[Text] On the morning of 15 January, just as a White House press officer told reporters that "there will be no great changes in the Soviet position on the disarmament talks before its national party conference," in the Oval Office not far from the press briefing room, Secretary of State George Shultz hurriedly delivered to President Reagan a letter from Gorbachev that had just been received.

The letter contained a new Soviet disarmament proposal. Some 3 hours later, the Soviet news agency TASS made this new proposal public. Gorbachev's new proposal took the world at large by surprise. At the core of the "package plan" was that, "on the precondition that both sides refrain from developing, testing, and deploying offensive space weapons, the United States and the Soviet Union will completely destroy nuclear weapons in the next 15 years."

According to Gorbachev's argument, this plan will be carried out in three stages. The next 5-8 years will be the first stage. Both the Soviet Union and the United States will reduce by half the nuclear weapons that can reach the other side's territory, and the warhead ceiling is to be fixed at 6,000 for each side. Meanwhile, both the United States and the Soviet Union must suspend all nuclear tests and destroy all the medium-range nuclear weapons deployed in Europe. Moreover, the United States should pledge not to supply other countries with more nuclear weapons. Britain and France should also undertake commitments not to expand their nuclear forces. The 5-7 years starting not later than 1990 will be the second stage. Both the United States and the Soviet Union will continue to carry out the 50 percent reduction plans by destroying their medium-range and tactical nuclear weapons. They are not allowed to study or develop nonnuclear weapons and mass destruction. The other nuclear states should also suspend their nuclear tests, freeze their strategic nuclear weapons, destroy their tactical nuclear weapons, and dismantle the nuclear weapons deployed in other countries. The major industrialized countries should join in the agreement on banning offensive space weapons. The 5 years prior to 1999 will be the third stage. All nuclear states in the world should eliminate all nuclear weapons by working out special procedures for destroying, and verifying the destruction of, these weapons.

As far as the contents are concerned, Gorbachev's proposal is a total disarmament plan mixing the old plans with the new, other people's ideas with his original creations, and a persistent stand with tactical changes. Its prominent features are as follows:

IT PUTS FORTH A CLEAR-CUT TIMETABLE. First, the plan puts forth a general timetable, that is, "By the end of 1999 nuclear weapons will have ceased to exist in the world." In the last 15 years of this century the work of freezing, dismantling, destroying, and verifying the destruction of all nuclear weapons, from strategic to tactical ones, will have been completed. Second, in the entire process of reducing and destroying nuclear weapons, it has defined three 5-year stages. In light of the progress, each stage can be lengthened or shortened by 2-3 years. In his new proposal Gorbachev has put forth a clear-cut timetable for disarmament lacking in the previous disarmament proposals of Soviet leaders.

IT INCLUDES ALL FIELDS OF DISARMAMENT. The previous disarmament proposals were usually presented in the form of a single item. Even the so-called disarmament package plan included only a few limited fields. Gorbachev's new proposal, however, includes all major and separate items, such as nuclear weapons of all types, space weapons, chemical weapons, conventional military forces, the new generation of weapons systems, and the problem of verification. A disarmament plan this comprehensive is the first in the history of disarmament.

IT INVOLVES DISARMAMENT BY MANY COUNTRIES. In his new proposal Gorbachev still regards the United States and the Soviet Union as the main targets of disarmament, with the principal aim of reducing U.S. superiority through disarmament and preserving Soviet superiority. Moreover, Gorbachev has also brought other nuclear states and the major industrialized states into the orbit of complete disarmament. On the question of nuclear disarmament, Britain, France, and China are to reduce their nuclear weapons at a later date (starting from the second stage) than the United States and the Soviet Union but, by freezing and reducing their nuclear weapons in the second and third stages, their nuclear weapons will ultimately be destroyed simultaneously with the United States and the Soviet Union.

On the question of reducing conventional weapons, the countries taking part in the "Central European disarmament talks" have been drawn into the disarmament process. On the question of space weapons, the major industrialized states, including Britain, France, the FRG, and Japan, have also been included. In essence, Gorbachev's new proposal tries to mix bilateral with multilateral disarmament and, by having more participants to the disarmament talks, to use multilateral disarmament to play down bilateral disarmament. This tactic represents a new development from the previous attempt to bring Britain and France into the orbit of U.S.-Soviet disputes over medium-range nuclear weapons.

IT TAKES OVER DISARMAMENT SLOGANS OF OTHER COUNTRIES. The contents of Gorbachev's new proposal largely look familiar but they are couched in slightly different terms. It continues to use or takes over disarmament proposals of some other countries and dishes them up in a new form to the advantage of the Soviet Union. First, taking advantage of the idea that "the United States and the Soviet Union should take the lead in reducing nuclear weapons," it proposes that both the United States and the Soviet Union should concentrate on reducing their strategic nuclear weapons and medium-range nuclear weapons in the first stage and announces that the Soviet Union will extend its unilateral moratorium on nuclear tests by 3 months. Second, taking over the slogan of "completely and thoroughly destroying nuclear weapons," it puts forth the objective of eliminating nuclear weapons on earth by the end of this century to enable human society to enter an era without nuclear weapons in the 21st century. Third, taking into account the demand for "separate British and French nuclear forces from the reduction of U.S. and Soviet medium-range missiles in Europe, it proposes that the United States and the Soviet Union should first reduce and destroy their medium-range nuclear weapons deployed in Europe, and that British and French nuclear forces should be frozen in the second stage and destroyed in the third. Fourth, accepting the suggestion on the need to "carry out on-site inspection and verification of the reduction of nuclear weapons and chemical weapons," it proposes the use of technological means and the adoption of international procedures to supervise and verify the restriction and destruction of nuclear weapons, chemical weapons, and other mass destruction weapons on the spot. Fifth, taking advantage of the sentiments of a majority of countries against a U.S.-Soviet arms race in space and their obstruction of the "star wars" program, it takes as a precondition for total disarmament a "ban on the development, testing, and deployment of offensive space weapons" and calls on both parties to reach an agreement on banning the development of space weapons in a vigorous attempt to turn this into a "multilateral agreement which all the major industrialized states have a duty to join."

Such an all-embracing disarmament plan put forth by Gorbachev at the beginning of the International Year of Peace is undoubtedly a new peace gesture. His strategic intentions are chiefly as follows:

TO TAKE THE INITIATIVE IN THE DISARMAMENT TALKS. Gorbachev made this new proposal the day before the fourth round of the U.S.-Soviet disarmament talks started in Geneva. This put the United States off guard, making it impossible for the United States to consider, or to make, counterproposals before the talks. For this season, this round of disarmament talks will be brought into the orbit of specifically studying and discussing this new proposal, as the Soviet Union intended, thus giving it the initiative in talks.

TO WIN THE PROPAGANDA WAR AGAINST THE UNITED STATES. Gorbachev's "high-pitched" plan is a continuation of the propaganda war launched by the Soviet Union before the U.S.-Soviet summit last year. It is the second round in the political offensive the Soviet Union launched with the aim of winning more extensive support from world opinion and projecting the image that the Soviet Union is devoted to disarmament and peace, thus showing that the Soviet Union is superior to the United States in the propaganda war.

TO FURTHER ISOLATE AND ATTACK THE UNITED STATES. Taking over the previous disarmament proposals and slogans of Western countr s, Gorbachev's new proposal caters to the demands of Western Europe with the aim of inducing the countries in the Western alliance to exert pressure on the United States, splitting the West's position on the disarmament issue, and weakening the U.S. possition in the talks.

TO WEAKEN THE TRENDS IN THE DEVELOPMENT OF SPACE WEAPONS BY THE UNITED STATES. In its new proposal Gorbachev takes as a precondition for total disarmament a "ban on the development of space weapons" with the aim of forcing the United States to choose between reduction of nuclear weapons and development of space weapons so that the United States, afraid to incur the charge of sabotaging the disarmament talks, may have to give up research into, and development of, space weapons.

Gorbachev's new disarmament proposal has put the United States in a very defensive position. In a statement issued 3 hours after the proposal was put forward, the Reagan administration held that "at first glance some aspects of this proposal are constructive." It expressed a "welcome" for the proposal and said it "will conduct a meticulous study on this together with the allies." However, it also said that "many of its contents are no different from the previous Soviet stands and still cause grave uneasiness" and even "contain traps on numerous issues." Therefore, on the one hand, the Reagan administration has stepped up its studies on the new proposal, and taking advantage of the Geneva disarmament talks, has insisted that the Soviet delegates supply detailed contents in order to ascertain the situation in the Soviet proposal and to find a basis for making a counter proposal; on the other hand, it has upheld its original stand and refused to make any concessions on some crucial issues, such as space weapons, nuclear tests, and the SS-20 missiles deployed in Asia. On the space weapons issue, the day after the new Soviet proposal was put forward, Secretary of Defense Caspar Weinberger categorically indicated: "The Reagan administration is determined to carry out its Strategic Defense Initiative." On the issue of banning nuclear weapons tests, White House spokesman Larry Speakes said: "Testing is of great importance to us. Therefore, it is necessary to conduct tests according to the original plan." On the medium-range missiles issue, Shultz said: "We have always considered this issue on a global basis and not only on a European scale. For this reason, it is necessary to take the Asian region into consideration." Moreover, in the face of the new propaganda war launched by Gorbachev, the Reagan administration is actively considering launching counterpropaganda. In addition to making an issue of the Soviet proposal itself, Weinberger also proposed to "revel more facts about Soviet violations of treaties: in a vigorous attempt to reverse the defensive situation the United States has been in since the propaganda war started.

By and large, Gorbachev's new disarmament proposal is of some positive significance. It can play a certain role in easing East-West relations and promoting U.S.-Soviet disarmament talks. However, it should also be noted that the principled stand advocated in the proposal is far from that of the United States and even runs in the opposite direction on the space weapons issue. The proposal has also complicated matters by involving other nuclear states and the major industrialized states. For this reason, the positive role of Gorbachev's new proposal will be very limited. It will be possible to reach a tentative agreement on some issues that have a relatively sound basis and on which both parties hold a relatively similar stands. However, the possibility of reaching an agreement on some crucial issues is still not distinct in the near future. The key to whether or not human society will enter an "era without nuclear weapons" in the 21st century lies in whether or not the two nuclear superpowers can take the lead in earnestly practicing what they preach.

LI XIANNIAN APPOINTS NEW ENVOYS TO ITALY, IRAN

OW201139 Beijing XINHUA Domestic Service in Chinese 0746 GMT 19 Feb 86

[Text] Beijing, 19 Feb (XINHUA) -- According to the decision of the NPC Standing Committee, PRC President Li Xiannian made the following personnel appointments and dismissals:

1. Du Gong [2629 2396] has been appointed as the PRC's ambassador plenipotentiary and extraordinary to the Italian Republic.

Lin Zhong has been removed from post as the PRC's ambassador plenipotentiary and extraordinary to the Italian Republic.

2. Wang Benzuo [3769 2609 4373] has been appointed as the PRC's ambassador plenipotentiary and extraordinary to the Islamic Republic of Iran.

3. Fan Zuokai has been removed from his post as the PRC's ambassador plenipotentiary and extraordinary to the Islamic Republic of Iran.

GUANGZHOU TO HOST INTERNATIONAL INVESTMENT FORUM

OW201844 Beijing XINHUA in English 1830 GMT 20 Feb 86

[Text] Guangzhou, February 20 (XINHUA) -- A conference on investment considerations, co-sponsored by the Accounting Society of China and the Hong Kong Society of Accountants, will be help here from February 28 to March 2. Jiang Yueming, an official in charge of the conference, said the 400 participants will represent Australia, Britain, Canada, China, France, Hong Kong, Pakistan and Singapore.

Among others, Robert May, president of the International Federation of Accountants, and John Miller, President of the Confederation of Asian and Pacific Accountants, will attend the conference. They will discuss investment in China and the related laws, taxation, accounting and foreign exchange. The conference will help foreign accountants learn about China's policies on investment and related questions, in light of China's growing economic ties with the outside world.

Jiang said that between 1979 and 1985 China approved 2,300 joint ventures with Chinese and foreign investment, 3,700 cooperative enterprises, 120 enterprises with exclusive foreign investment and 25 offshore oil exploration projects. China has used foreign loans, investment and commodity credit equal to 15.6 billion, 4.6 billion and 1.3 billion U.S. dollars, respectively. Since last year, Jian said, China has tightened its money market, improved macroeconomic control over investment and readjusted some previous related policies. The measures, as pointed out by Chinese leaders, are aimed at better carrying out the policies on opening to the outside world and the current economic reform, according to Jiang.

OFFICIALS CALL FOR CONTINUED AID TO MANILA

OW200939 Beijing XINHUA in English 0848 GMT 20 Feb 86

[Text] Washington, February 19 (XINHUA) -- U.S. Secretary of State George Shultz and Defence Secretary Caspar Weinberger today called for a continuation of U.S. economic and military assistance to the Philippines. They made the remarks amid growing demand in Congress that the United States cut off economic and military assistance to the Philippines because of suspected fraud in its elections. The Philippine National Assembly declared on February 15 that Ferdinand Marcos had won the election against opposition candidate Corazon Aquino.

Testifying before the Senate Budget Committee, Shultz said, "We have on our hands a very delicate and difficult situation and we don't want to jump at it with precipitous action." "Whatever the near-term problems of the Philippines, there is no doubt that the presence of a strong, democratically oriented military is in our best interests," he said. Urging "care and a little patience:, he said President Ronald Reagan's tough statement on the election had sent a strong signal to the Philippines. Reagan has said the election results were tainted by fraud.

Weinberger told another hearing that pending military and economic aid to the Marcos Government included pay for Philippine workers at the U.S. Subic Bay Naval Base and Clark Air Force Base and that a cutoff would hurt them badly. White House officials reportedly said that it was unlikely that President Reagan will make an important decision in his policy towards the Philippines before special envoy Philip Habib winds up his fact-finding mission there and reports back to Reagan.

The U.S. Senate today passed a non-binding resolution condemning the Philippines presidential election as fraudulent and called on President Reagan to personally convey this concern to President Marcos. The resolution, passed by a vote of 85-9, said, "The recent presidential elections in the Philippines were marked by such widespread fraud that they cannot be considered a fair reflection of the will of the people."

The United States has maintained that the two military bases in the Philippines are among the most important U.S. bases in the world, providing a major Pacific way station between the United States, Southeast Asia, the Mediterranean and Indian Oceans. This year the United States is to supply Manila with military aid totalling 54.7 million dollars and economic aid of 181.2 million. The Reagan administration has requested economic aid of 125.6 million dollars and military aid of 102.7 million for the country next year.

STIFFER CURBS HEAT UP TRADE FRICTION WITH EC

OW210743 Beijing XINHUA in English 0636 GMT 21 Feb 86

[Text] Washington, February 20 (XINHUA) -- Trade friction between the United States and the European Community are heating up again after the U.S. Administration stiffened curbs on semi-finished steel imports from Western Europe. The U.S. trade representative's office announced Wednesday it plans to enforce, "in the most restrictive possible way," a 600,000-ton-a-year ceiling that the U.S. Administration imposed on January 1, after the two sides failed to agree on a "voluntary" export-restraint arrangement.

The latest U.S. action comes on the heels of a European Community decision February 15, to retaliate against Washington's January 1 ceiling by restricting American shipments of fertilizer, coated paper and animal fats to Western Europe.

Deputy U.S. Trade Representative Alan Woods said new American action is "in response to the EC's unjustified, unnecessary and unfriendly retaliation". He also regretted that the EC took this dispute beyond steel into other industry sectors. EC officials contend that the 600,000-ton limit is "unjustified" and said it would cost European community steel producers 48 million U.S. dollars. But the U.S. argues it is in keeping with a trade agreement reached in 1982.

Washington's action is expected to intensify trade friction between the two partners. In addition to steel, the two sides are quarrelling over restrictions on U.S. soybean exports and regulations affecting meat exports. Under the tougher enforcement of the steel limits, the European Community will be restricted to 150,000 tons per quarter. Officials estimated that this U.S. retaliatory action -- which could indirectly affect some finished steel imports as well -- could reduce European steel shipments to the U.S. by as much as 200,000 tons a year from the estimated current 4.9 million tons. By comparison, the European Community restrictions will cut U.S. sales of fertilizer by 23 percent, animal fats by 20 percent and coated paper by eight percent, or about 43 million U.S. dollar in annual U.S. sales.

ANGOLAN REBELS WIN $15 MILLION IN MILITARY AID

OW200910 Beijing XINHUA in English 0647 GMT 20 Feb 86

[Text] Washington, February 19 (XINHUA) -- The U.S. Administration has decided to provide Angolan rebel leader Jonas Savimbi with military aid, according to reports in Washington newspapers. Testifying before the Senate Foreign Relations Committee yesterday, Assistant Secretary of State Chester Crocker said, "The decision has been made and the process is in motion" to send weapons to Jonas Savimbi, leader of the Union for Total Independence of Angola (UNITA).

The purpose of the U.S. aid, according to U.S. Administration officials, is to prevent the Angolan Government from achieving "a military solution". Crocker stressed that the administration views the aid as helpful in putting pressure on the Angolan Government to be more forthcoming in negotiations and not as an end itself. The value of the aid is reported to be about 15 million U.S. dollars, and will come out of Central Intelligence Agency funds. The weapons provided for UNITA may include anti-aircraft and anti-tank missiles. Crocker asked for a clear statement from Congress supporting a U.S. commitment to "negotiated resolutions in southern Africa", but warning that the U.S. will not tolerate other countries taking advantage of this policy to pursue their own aggressive ends.

Savimbi came to Washington last month asking for U.S. military aid. During a meeting with Savimbi, U.S. President Ronald Reagan pledged to be "very supportive" in the Angolan guerrilla leader's efforts to topple the Angolan government. The issue of providing aid to Angolan rebels has been debated by the U.S. Administration for several months, with the Central Intelligence Agency and the Pentagon reportedly pushing for a large covert military operation in Angola. However, a number of congressmen have urged President Reagan not to provide aid to UNITA, saying the U.S. involvement would damage relations with governments throughout Africa and undermine fundamental U.S. policy objectives in southern Africa.

USS ENTERPRISE ARRIVES AT PHILIPPINE BASE

OW201705 Beijing XINHUA in English 1512 GMT 20 Feb 86

[Text] Manila, February 20 (XINHUA) -- The USS Enterprise, a nuclear-powered aircraft carrier, arrived at the U.S. Subic Naval Base Monday, a local newspaper BULLETIN TODAY disclosed today. The Enterprise was accompanied by two submarines and 11 escort ships, sources here said. About 30 vessels of the U.S. Seventh Fleet are expected to call on the Subic base this month Philippine Navy sources said Wednesday.

The United States has two major military bases in the Philippines, the Subic Naval Base and the Clark Air Force Base. A U.S. Marine official, who declined to be identified, disclosed that the U.S. military bases in the country have been on red alert since the February 7 presidential election. But local naval officers explained that the presence of the U.S. vessles from the Seventh Fleet in the Philippine territorial waters is routine. Early reports said that since February 11, about 12 warships of the Seventh Fleet had made "brief visits" to the Subic base and that about 17 more are scheduled to pay such visits to the base before the end of the month. Most of these ships will come from Singapore, Guan, and Hong Kong. Residents here said they were surprised by the sudden arrival of the American warships, many of which came before the February 7 election.

SUPREME COURT PRESIDENT LEAVES FOR THAILAND

OW210745 Beijing XINHUA in English 0642 GMT 21 Feb 86

[Text] Beijing, February 21 (XINHUA) -- Zheng Tianxiang, president of China's Supreme People's Court, and his party left here today to pay a friendly visit to Thailand at the invitation of Thai Supreme Court President Phinyo Thiraniti. This is the first visit by a leading Chinese supreme court official to Thailand.

Before his departure, Zheng told XINHUA that in recent years, Chinese and Thai judicial departments have increased their contacts. He expressed the hope that his visit would promote mutual understanding and friendly relations between them as well as friendship between the two peoples and cooperation between the two countries. Seeing him off at the airport were Vice-President of the Supreme People's Court Ren Jianxin and Thai Ambassador to China Orachun Tanaphong.

NEW SOVIET OFFENSIVE AGAINST AFGHAN REBELS

OW170926 Beijing XINHUA in English 0913 GMT 17 Feb 86

[Text] Islamabad, February 17 (XINHUA) -- The Soviet-Karmal troops started yesterday a major offensive against the strongholds of the mujahidin (holy-war fighters) in the eastern province of Nangarhar near the Pakistan border. Pakistani newspaper THE MUSLIM today quoted reports from Afghanistan as saying that the fighting was so near the Pakistan border that citizens in Peshawar could hear artillery fire for several hours.

It was reported that the new offensive was sparked by the increased mujahidin's activities in the area a few days ago. On February 14, the mujahidin attacked a Soviet Army column there. At least 10 Soviet troops were killed and a number of armored vehicles destroyed. PAKISTAN TIMES reported today that the Afghan mujahidin have shot down two Soviet fighter planes in stiff resistance against a major attack launched by the Soviet-Karmal troops in Farah Province of western Afghanistan last week. Meanwhile, the mujahidin blew up four Soviet tanks and one armored vehicle of a Soviet-Karmal troops' convoy by mines near Zaranj city of Nimruz Province in southwestern Afghanistan. 14 Soviet-Karmal troops were killed and 10 others wounded.

SRI LANKAN TAMILS URGED TO DROP STATE DEMANDS

OW202112 Beijing XINHUA in English 2045 GMT 20 Feb 86

[Text] Colombo, February 20 (XINHUA) -- Addressing the opening ceremony of the sixth session of parliament, today Sri Lankan President Julius Jayewardene urged Tamil Militants to "abandon the demand for the creation of a separate state of Eelam." Jayewardene stressed in his speech that his government "cannot barter away the unity of the country in solving the ethnic problem". The Tamils, who make up [figure indistinct] percent of the population of the country and maintain a majority in the northern and eastern provinces, claim that they have been discriminated against by the Sinhalese majority. The Tamil separatist organizations have long been seeking to set up a separate Tamil state, "Eelam", in the two provinces.

Instead, Jayewardene repeated the government's offer of devolution of authority to create provincial/district councils and invest the chief executive of each council with the powers of a minister within his area of authority. He urged all Tamil militant groups and persons engaged in acts of violence to desist from such action, and close down their training camps at home and abroad. "We cannot compromise with violence. Whatever form of agitation is used to continue a program to attain political goals must be non-violent," he said. "As part of the process of normalization," the president promised, "security operations in the affected areas will be progressively reduced (?until) the emergency lifted."

Two rounds of talks were held between the government and militant Tamil groups in Thimpu, capital of Bhutan, last year in an attempt to reach a solution to the ethnic problem. However, the proposals put forth by the government were rejected by the Tamil groups on the grounds that they "fell far short of the aspiration of the Tamils." The Tamil United Liberation Front (TULF) worked out a proposal last year in response to the government proposals, demanding the merging of the northern and eastern provinces as a "Tamil linguistic state." The government, in its final response to the TULF's proposal, rejected it as "totally unacceptable." The government's observations were despatched to New Delhi on January 30 and published officially in the parliament here today. Indian Foreign Secretary Romesh Bhandari, who has attempted to organize indirect talks between the Sri Lankan Government and the Tamil groups after the failure of the Thimpu talks, has reportedly postponed his visit to Colombo originally scheduled for February.

UK PARLIAMENT DEBATES SDI PLAN PARTICIPATION

OW201351 Beijing XINHUA in English 1319 GMT 20 Feb 86

[Text] London, February 19 (XINHUA) -- Britain's opposition foreign affairs Denis Healey today compared the U.S. Strategic Defense Initiative (SDI) to a genie, and said it was time to "get the genie back in the bottle."

Opening a debate in parliament on an opposition motion criticizing British support for the U.S. SDI plan, known as the "star wars" program, Healey said "this may be the last chance of stopping the arms race." He described the SDI scheme as "a massive roadblock on the way" to thrashing out an arms control agreement and warned of the great dangers it might bring to world peace. Healey pointed out a contradiction in U.S. policy. U.S. Defense Secretary Casper Weinberger has said that the "star wars" plan, once realized, would give the United States a monopoly similar to that which it held in nuclear weapons in 1945, while President Ronald Reagan has stated that the United States was not seeking military superiority. He criticized the British Government for hatching a "grubby conspiracy" enticing scientists to leave peaceful programs to work on U.S. military projects.

Defense Secretary George Younger defended British participation in the "star wars," saying he saw no reason why missile research should be a stumbling-block to arms control. He urged instead more British companies to seek opportunities to participate in the U.S. program. The motion was defeated by a vote of 272 to 202 in the Conservative-dominated House of Commons. The debate in Parliament was held immediately after U.S. SDI Director Lieutenant General James Abrahamson concluded a three-day visit here in an attempt to enlist British support for the U.S. program.

Local press reports indicated that the U.S. envoy and British Defense Ministry's chief scientific adviser Richard Newman signed a series of instructional documents on the implementation of the Anglo-American memorandum of understanding outlining Britain's participation in the SDI research program. The memorandum was signed last December. So far, there are reportedly some 10 research contracts being negotiated between Britain and the United States.

CHINESE INSURANCE COMPANY OPENS IN LONDON

OW190827 Beijing XINHUA in English 0645 GMT 19 Feb 86

[Text] London, February 18 (XINHUA) -- China Insurance Company (UK) Ltd, a joint venture with capital from the People's Insurance Company of China (PICC) and the Bank of China, London, was formally opened to do business today. The company will issue policies insuring families, property, motor vehicles, travel safety and cargo transportation. While its headquarters is in London, agents will also operate from the Bank of China's branches in West London, Manchester and Glasgow.

A newly-established Chinese Insurance Company's official told XINHUA that it would work with its counterparts in promoting the insurance industry, and would actively develop friendly business exchanges with companies all over the world. At the opening ceremony held tonight at the Chinese Embassy in London, Qin Daofu, the visiting PICC president, thanked the British authorities, friends and Overseas Chinese in Britain for their kind support of the new Chinese venture. He praised the London insurance market, the most prominent international insurance center in the world, for its long-established friendly relationship with the PICC. Present at tonight's opening were Chinese Ambassador to the UK Hu Dinyi and over 300 guests from British financial and law institutions and Chinese communities in the UK, as well as representatives of Chinese organizations accredited in London.

HU QILI MEETS SFRY YOUTH UNION DELEGATION

OW201204 Beijing XINHUA in English 1151 GMT 20 Feb 86

[Text] Beijing, February 20 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met a delegation from the Union of Socialist Youth of Yugoslavia here this afternoon. Hu, also member of the Secretariat of the CPC Central Committee, briefed the visitors on China's current political and economic situation.

The delegation leader Silvija Zugic-Rijavec, president of the Presidency of the union, told Hu that during the visit the delegation had held talks with leading members of the Chinese Communist Youth League at all levels on matters related to their cooperation, thus furthering relations between the youth and youth organizations of the two countries. Hu said he was very pleased to note the growing contacts between the youth and the youth organizations of the two countries. "The friendship between the two countries established by veteran leaders of the two countries should be passed on by their younger generations," he added. Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, was at the meeting.

SFRY LEAGUE OF COMMUNISTS CONDEMNS NATIONALISM

OW190918 Beijing XINHUA in English 0720 GMT 19 Feb 86

[Text] Belgrade, February 18 (XINHUA) -- The Central Committee of the League of Communists of Yugoslavia (LCY) called for solid unity within the party in exposing the "reactionary nature" of nationalists, the Yugoslav news agency TANJUG reported today.

Dusan Dragosavac, member of the Presidency of the LCY's Central Committee, said that the heightening of the anti-communist and antisocialist activities in Yugoslavia corresponds to particular situations at home and abroad. Addressing a working commission of the LCY's Central Committee, Dragosavac said the unity of the party would be destroyed if the LCY is organized on the basis of nations and state. In carrying out Marxist principles, he said, the party should put down pressure from any kind of group that seeks to emphasize its own interest.

During the two-day meeting which ended today, the Commission stated that local nationalism is a phenomenon of Yugoslavia that features anti-communism and anti-socialism. According to the report, the meeting was to analyze the social and ideological roots of various nationalisms and to discuss ways to fight against them. Another member of the party Presidency, Hamdija Pozderac, said national liberation cannot be realized without class liberation. He claimed that all kinds of nationalism are anti-Yugoslavia.

LI XIANNIAN, OTHERS WELCOME MAURITANIA'S TAYA

OW210310 Beijing XINHUA in English 0246 GMT 21 Feb 86

[Text] Beijing, February 21 (XINHUA) -- China welcomed Colonel Maayouia Ould Sid Ahmed Taya, head of state of Mauritania, today with a 21-gun salute and cheers by 300 youngsters. Taya, also chairman of the Military Committee of National Salvation, arrived here yesterday evening for a week-long state visit to China.

Today's welcoming ceremony was presided over by Chinese President Li Xiannian at the Plaza East of the Great Hall of the People here. As the Mauritanian head of state and other guests, accompanied by Minister of Public Health and Chairman of the Chinese Government's reception committee Cui Yueli, came to the plaza where the national flags of China and Mauritania fluttered President Li stepped forward to shake hands with them. Two youngsters presented bouquets to Taya and his wife. At about 9:00 hours cannons boomed a 21-gun salute as Taya and Li stood at attention for their national anthems and then reviewed a guard of honor formed by the three services of the People's Liberation Army.

Present on the occasion were President Li Xiannian's wife Lin Jiamei, State Councillor and Foreign Minister Wu Xueqian and leading members of various government departments. Following the ceremony Li Xiannian and Taya entered the Great Hall of the People and had a cordial and friendly talk there.

Talks With Zhao Ziyang

OW210924 Beijing XINHUA in English 0904 GMT 21 Feb 86

[Text] Beijing, February 21 (XINHUA) -- Premier Zhao Ziyang today reaffirmed China's willingness to work with other Third World countries in support of "South-South" cooperation. He made these remarks during talks here this morning with Colonel Maayouia Ould Sid Ahmed Taya, chairman of the Military Committee of National Salvation and head of the state of Mauritania.

"Over the long term," Zhao said, "there exists tremendous potential for South-South cooperation. Developing countries must unite and explore ways to coordinate their actions." Such unity on the part of developing nations would "give an impetus to North-South dialogue," promoting an "earnest and realistic approach" between the developed countries and the Third World, he said. At present, he said, there are two inseparable problems facing the world -- "peace and development." "Third World countries must be allowed to develop if world peace is to be maintained," he said. "And if the old international economic order is not changed, it will be impossible to solve the problems of Third World development.

Taya outlined Mauritania's domestic and foreign policies and its economic rejuvenation plan for the years 1985-1988. He said the Mauritanian Government is "working for the promotion of friendly cooperation and unity between the Arab world and African countries." And he endorsed the just struggles of the peoples of Palestine, Namibia and other southern African countries. In addition, he said, his country supports South-South cooperation and the "establishment of a new international economic order." Zhao told Taya China appreciates Mauritania's "policies of peace, neutrality and non-alignment. We congratulate the Mauritanian people on their economic rejuvenation under the leadership of Chairman Taya." He said "China attaches great importance to developing its friendly cooperation with African countries and supports the African people's struggle against imperialism, colonialism, hegemonism, South Africa's racial discrimination and Israel's policy of aggression and expansion."

Zhao said friendly relations and cooperation between China and African countries are "based on a sound footing. China wants to develop these relations based on the principles of mutual support, equality and mutual benefit." According to an official close to the talks, both Zhao and Taya said they were "satisfied with the friendly cooperation" between China and Mauritania since the two countries established diplomatic relations in 1965. They exchanged "hopes for more such cooperation," the official said. Also participating in the talks were Chinese State Councillor and Foreign Minister Wu Xueqian, Minister of Public Health Cui Yueli and Mauritanian high-ranking officials accompanying Taya.

GONG DAFEI MEETS IRANIAN PRIME MINISTER

OW210400 Beijing XINHUA in English 0152 GMT 21 Feb 86

[Text] Tehran, February 20 (XINHUA) -- Iranian Prime Minister Mir Hoseyn Musavi met visiting Advisor of the Chinese Foreign Ministry Gong Dafei here this afternoon. The premier told him that Iran attaches great importance to the relationship with China.

Gong Dafei in the talks said that there exists firm basis for development of Chinese-Iranian relations. "Both China and Iran are big Asian states; between them there are friendly history and no conflicts of interests," he stated. Gong arrived here on February 18 at the invitation of Iranian Deputy Foreign Minister Sheykh ol-Eslam and is scheduled to conclude his visit on February 22.

PLO OFFICIAL COMMENTS ON RELATIONS WITH JORDAN

OW210402 Beijing XINHUA in English 0112 GMT 21 Feb 86

[Text] Tunis, February 20 (XINHUA) -- Faruq Qaddumi, chief of the PLO Political Department today expressed surprise at Jordanian King Husayn's speech yesterday in which he declared that Jordan has decided to end the political coordination with the PLO in the search for peace in the Middle East.

Speaking at the opening ceremony of the Supreme Council of the General Federation of the Palestine Workers, Qaddumi said that the PLO highly values the special relationship between Palestine and Jordan. The PLO executive Committee will make a deep study of King Husayn's speech before making a public announcement on this issue, he added. Since the Jordan-PLO joint agreement was reached last year, he said, the PLO has worked sincerely for its implementation despite all difficulties, as the PLO placed hope in a bright prospect in the relations between Jordan and Palestine.

Qaddumi condemned the U.S. for its obstruction in the process for peace in the Middle East and declared: "We recognize all relevant U.N. resolutions on Palestine. But if the U.S. and Israel ignore our legitimate rights, we can only continue our armed struggle as our response". Qaddumi also appealed for calling an Arab summit meeting to overcome all differences and strengthen the Arab unity.

IVORY COAST, USSR TO RESUME DIPLOMATIC RELATIONS

OW202032 Beijing XINHUA in English 1932 GMT 20 Feb 86

[Text] Abidjan, February 20 (XINHUA) -- The Ivory Coast and the Soviet Union have agreed to resume diplomatic relations from today, Radio Abidjan announced here this morning. The two countries established relations in 1968, but both recalled their ambassadors in May 1969 after Abidjan accused Moscow of "interfering" in its internal affairs.

SONS OF SHANGHAI OFFICIALS EXECUTED, IMPRISONED

HK191424 Beijing ZHONGGUO XINWEN SHE in Chinese 1016 GMT 19 Feb 86

[Text] Shanghai, 19 Feb (ZHONGGUO XINWEN SHE) -- This afternoon the Shanghai Municipal Intermediate People's Court called a mass rally to announce the order issued by the Shanghai Municipal Higher People's Court to execute Chen Xiaomeng [7115 1420 5536], Hu Xiaoyang [5170 2556 7122], and Ge Zhiwen [5514 1807 2429], who have been convincted of rape and indecency. They were then escorted to the execution ground and shot.

The other defendants, namely Chen Bingland [7115 0393 6745], Chen Danguang [7115 0030 1639], and Kang Yefei [1660 0048 7236], were sentenced to 20 years imprisonment and deprivation of political rights for 5 years, 5 years imprisonment, and 3 years imprisonment, respectively.

Since 1981, these six criminals have, by pretending to help their victims to get transfers or by pretending to invite them to parties, lured many women to the homes of Chen Xiaomeng, Chen Binglang, and Chen Danguang, where they committed rape and multiple rape and acted indecently toward their victims. In all, they raped 9 women, had illicit sexual relations with 34, and acted indecently toward another 8. These criminals were arrested by Shanghai's municipal public security departments after November 1984. After conducting many investigations and visiting the victims in seven provinces and two cities, the judicial departments have grasped every detail of the case.

On 1 February, the Shanghai Municipal Intermediate Peoples Court delivered its verdicts at the first trial. Chen Xiaomeng, Hu Xiaoyang, and Ge Zhiwen were sentenced to death and deprived of their political rights for the rest of their lives. All six criminals except Kang Yefei refused to accept the verdicts and immediately appealed to the Shanghai Municipal Higher People's Court. After conducting further investigations, the higher people's court rejected their appeal on 17 February and upheld the verdicts arrived at the first trial.

Since the six defendants are children of cadres or even senior cadres, the handling and trial of the case has aroused public concern in Shanghai. The public, however, generally agrees that the court verdicts are just.

Commentator's Article

HK210922 Beijing RENMIN RIBAO in Chinese 20 Feb 86 p 1

[Commentator's article: "All Are Equal Before the Law"]

[Text] Six criminals guilty of rape and hooliganism, including Chen Xiaomeng, Hu Xiaoyang and Ge Zhiwen who once ran rampant in Shanghai, have been sentenced to death or imprisonment. This stern punishment by the people's judicial organ gladdens the people. The six are workers, cadres and sons of Shanghai's high-ranking officials. The end of this group of criminals manifests the principle of "all are equal before the law."

Ours is a socialist country under the leadership of the Communist Party. In China, no citizens are allowed the privilege of being above the law. The overwhelming majority of the children of our cadres, including those of senior cadres, are good and law abiding. But there are indeed a few who consider themselves privileged and flout the law and discipline, committing crimes and outrages that make people boil over with anger. They think they have "a strong backing" and are exempt from any questioning. In their view, even the law should bend before them. But they are wrong.

In some places and units where the party work style is not healthy, the law may seem to be weak, allowing some bad people to run amuck. But now the whole party from the Central Committee downward is determined to correct its work style. The dignity of the law is firmly guarded and the principle of "all are equal before the law" carried out. "Good will be rewarded with good, and evil with evil. It is not that nothing is rewarded, but that the time is not ripe; when the time is ripe, everything will be rewarded." Those who attempt to trample on the law, bully the people, and carry out criminal activities that injure the interests of the state and people on account of having "a strong backing" or "behind-the-scenes backers", are bound to reap what they have sown.

As China experienced a long period of feudalism, remnants of the feudal practice of "implicating one's relatives when one commits a crime" may well survive within the Communist Party and influence public opinion. But, after all, the people oppose this, and communist ideas and socialist law do not tolerate it. Everyone should be responsible for his actions. Whoever commits a crime should be punished. There should be no implication of innocent people. Anyone who has committed crimes should not be punished too leniently or too severely only on account of his family background or social position. His family members or parents, if they are indeed involved in the crime, should of course be investigated, and their responsibilities determined. But if they are not involved, no false charges should be imposed upon them. The children of senior cadres should not be looked upon differently only because a few of them have brought disgrace to this group of people. In a word, no implication of any form should be made. All should be based on facts, and the law is the yardstick. That is the way we approach and handle issues in order to correct the party work style and perfect the legal system.

LEADING CADRES URGED TO SET GOOD EXAMPLES

HK201332 Beijing GUANGMING RIBAO in Chinese 6 Feb 86 p 1

[Commentator's article: "The More Senior the Leading Cadres, the Stricter the Standards They Should Set for Themselves"]

[Text] In bringing about a turn for the better in party work style and social conduct, central organs should set a good example and leading cadres, senior leading cadres in particular, should manage to take the lead. Meanwhile, in handling major and important cases of law and discipline violations, we should have the courage to tackle difficult problems and strictly investigate and handle the cases of law and discipline violations committed by senior cadres and their children, or celebrities. These combined efforts will give impetus to the work of the whole party and state and initiate a fundamental turn for the better in party work style and social conduct.

Our party is a proletarian political party and fighting force with strict discipline working for the communist cause. The party "enforces discipline" among its members and cadres "more strictly than among ordinary people" ("Selected Letters of Mao Zedong," p 110). In our country, laws are enacted under the leadership of the party. Leading cadres, particularly senior leading cadres, should take the lead in abiding by state laws. Generally speaking, because leading cadres have been in the ranks of revolution for quite some time and received more education from the party, they have stronger political consciousnesses. Therefore, they ought to be more willing to abide by the law and observe discipline. They have enormous power in leading the four modernizations program and reforms. The party and the people place high hopes on them. It must be said that most leading cadres have lived up to the expectations of the party and the people.

However, a small number of leading cadres who are corrosively influenced by bourgeois decadent ideology and feudalistic backward ideas have let the party and the people down. Instead of using the power in their hands to work for the interests of the state and the people, they have abused their power for personal gain and encouraged unhealthy tendencies. Some people have even gone so far as to take the road to crime or to abet their children in violating the law and disciplinary codes. Although these violations of the law and discipline have been committed by specific individuals, they have corrupted social values, damaged the party's image, and aroused strong dissatisfaction among the masses of people, thus creating an exceptionally bad impression.

Setting strict demands on leading cadres, in particular senior leading cadres and their children and strictly handling the case of law and discipline violations committed by some of them will boost and not lower the party's prestige, because this indicates that our party is a party which serves the people wholeheartedly and that our government is a clean, honest, upright, and capable one. Therefore, they have the courage to wage a struggle against the corrupt phenomena and the degenerates in its ranks by relying on the masses of people. This will help the people support the party's propositions more convincingly and vigorously work for the four modernizations program and reforms under the leadership of the party with one heart and one mind. This is precisely how our party moves "god" (that is, the masses) by imitating the foolish old man who tried to remove the mountains by "continuously digging each day." This is also precisely whey we have confidence and hope.

USE OF VETO WITHIN PARTY DECISIONS OPPOSED

HK200445 Beijing RENMIN RIBAO in Chinese 14 Feb 86 p 5

[Article by Feng Yue: "The Veto Power Should Not Be Exercised Within the Party"]

[Text] The UN Security Council has an important principle known as the powers unanimity principle, otherwise known as the veto power principle. The approval of any resolution at the Security Council requires the unanimous consent of the five permanent members of the council. A dissenting vote from any one permanent member of the council would veto the resolution.

The merits and demerits of this principle in the Security Council's handling of international affairs will not be discussed here. I would only like to say that there is a similar kind of veto power principle in the political structure of some of our party organizations. For instance, the appointment of a cadre by the party committee, which has the approval of majority of the committee members, could be shelved simply because one individual voiced a different opinion. The punishment of a comrade by the party committee, which was approved by majority of the committee members, could not be carried out because one person disagreed. As for undertaking some matters or solving a problem, as long as one person exercises the veto, then matters will usually be left unattended and problems unresolved. This condition is not new in some units.

The existence of differing opinions within the party is a normal phenomenon. What is to be done with these differing opinions? They should be put forward and fully deliberated in order to obtain a consensus. However, when no consensus can be obtained, then they should be put to a vote and be resolved in accordance to the principle of the minority subordinating itself to the majority. This is our party's democratic centralism. If dissenting opinions are not handled in accordance to the rules of the party's internal life, that is, they are not fully deliberated in meetings nor put to a vote on the proper occasions, and one man's opposition can overrule a decision already approved and in fact pased by a majority of people, then how can one talk of democratic centralism?

"The party committee needs to maintain unity!" The unity of members of the party committee is certainly very important. However, first of all, unity must be based on principles, and not left without principles. Second, the purpose of unity is to promote our cause and to perform our work even better, and not unity for the sake of unity. If, in order to preserve unity in form, attention is not paid to principles nor distinctions made between right or wrong, and anyone can exercise the veto, then nothing will be resolved. Of what value is this kind of unity?

"The opinion of the minority must be respected!" It is necessary to respect the opinions of the minority. When discussing problems, the minority must be allowed to fully express its opinions; when making decisions, it should be allowed to retain its views. However, respect for the minority's opinion should not lead to nullification of democratic centralism. Differing views of a minority or even of individual persons should not stop work. Respect for the minority's opinion should not be used as an excuse to tolerate certain people's exercise of the veto power within the party and thus, overrule a decision approved by the majority.

It should be noted that in some party organizations, the veto is usually exercised by the first or second in command, or by senior influential members. Their position easily leads to a situation where one or two persons make all the decisions. If these comrades do not take care, they could consciously or unconsciously sabotage regulations on normal political life within the party and cause enormous damage to the party's work. We should not forget the lessons of history.

'OPENING UP,' 'OPEN DOOR' DIFFERENCES OUTLINED

HK210309 Beijing GONGREN RIBAO in Chinese 14 Feb 86 p 3

[Article by Wu Cheng: "Opening Up to the Outside World and 'Open Door'"]

[Text] Reading a newspaper, I came across in an article the phrase "open door" [men hu kai fang 7024 2073 7030 2397] being used, instead of opening up to the outside world [dui wai kai fang 1417 1120 7030 2397]. The article said: "Since we opened the door, the international literature market has dazzled us...." I think this is inappropriate wording and that it is likely to cause political and ideological confusion.

We all know that opening up to the outside world is our country's basic state policy. The leaders of our party and state have time and again expounded on the idea that this is not an expedient measure, but a state policy that will be implemented for a long time. This policy on the one hand sums up and draws on the historical lessons from the parochial, arrogant policy of closing the country to international intercourse a policy which caused us to reject advanced foreign science, technology, and management know-how and to lag behind. On the other hand, the policy of opening up is a policy that our country urgently needs to implement in order to realize the four modernizations. Practice in the past few years has eloquently proved that this basic state policy has promoted economic and technological cooperation and scientific and cultural exchanges between China and other countries, has pushed forward the development of our foreign trade and tourism, and has facilitated our country's economic structural reform. It is an entirely correct state policy. Therefore, this state policy is supported and well accepted by the masses of people and foreign friends.

However, this state policy differs in essence from the so-called "open-door" policy that emerged in modern history. We should by no means confuse the two.

A reading of modern history reveals that the so-called "open-door" policy is a policy which the United States upheld in the past in order to threaten China. At the end of the 19th century, the major European powers, such as Britain, France, Germany, Italy, and Russia, and also Japan, had already divided up China into their respective "spheres of influence." The United States, a country situated far away on the other side of the Pacific, came too late and did not get its own "sphere of influence." Therefore, in September 1899 the U.S. Government presented a note to the above-mentioned powers saying that the United States recognized the powers' "spheres of influence" in China, but that it wanted to enjoy all the privilege and interests in all those "spheres of influence," including free trade and low tariffs. The next year, the United States presented another note to those countries, upholding the application of the "open-door" policy to "all areas in China." At that time, in the rush to divide China, the United States was elbowed out by Britain, France, Germany, Japan, and Russia. In essence, it put forth that policy as a means to compete with those powers for "spheres of influence" in China. Its aim was to turn China into its and all those countries' common semicolony which they could trample on at will. In 1922, in the "Nine-Country Accord" signed at a Washington conference, the United States continued to adhere to and to reiterate that policy. It was not until World War II, when the U.S. position of dominating China alone had already taken shape, that it gave up that policy.

From this we can see that the "open-door" policy was a policy of aggression which put the Chinese people in a powerless position and which divided up China's territory and sovereignty among the imperialist powers. The implementation of that policy caused China to sink deeper into the position of a semicolony. However, the policy of opening up to the outside world that we are implementing today is one that we carry out with the initiative in our own hands. It is a policy that our country's government has adopted in accordance with the principle of maintaining independence and taking the initiative in our own hands and the principle of equality and mutual benefit in order to continue to strengthen our economic relations, trade, and technological exchanges with various countries in the world, including developed and developing countries, and in order to vigorously draw in foreign capital and import foreign technology. It is aimed at speeding the progress of our country's socialist modernization. The two policies are diametrically opposed. Therefore, this is not a problem of wording. Moreover, failing to make a distinction between them is apt to lead to a blurring of the line of demarcation between the two kinds of things that are diametrically opposed in nature.

The erroneous wording that has emerged in some newspapers shows that during the new historical period, while implementing the policy of opening up to the outside world, it is necessary to guide people in learning something about modern and contemporary history. By so doing, our understanding will be deepened, and we will be able to correctly implement the party's correct line, principles, and policies that have been formulated since the 3d Plenary Session of the 11th CPC Central Committee.

JINGJI RIBAO ON ECONOMIC REFORM, MORAL STANDARDS

HK190939 Beijing JINGJI RIBAO in Chinese 8 Feb 86 pp 1, 2

[Article by Zhang Zhenru: "Reform of the Economic Structure and Social Moral Standards"]

[Text] As a social ideology, morality arises from the economic relations of people involved in production and exchange. Any social ideology would give rise to moral standards compatible with our own level of economic development and economic relations. This is also true in socialist society. Our economic reform and moral standards are unified and complement each other. In our economic reform, the moral standards should embody the following fundamental principles:

The Principle of Working To Get Rich

Wealth was a term no one dared talk about in the past, given the influence of "left" thinking. It seemed that to get rich was to follow the capitalist road and would lead to polarization. Only poverty seemed to be the true feature of the working people and represented socialism. This is not right. The basic aim of the revolution led by the proletariat is to emancipate the masses of working people from oppression, exploitation, and from a life of poverty. Poverty is the last thing that represents socialism. Therefore, we should inform, allow and encourage production workers to get rich, and enable a number of people to get rich first, so that they can lead the way to common prosperity. Affluence is an obligation that should be embodied in socialist moral standards.

The wealth that we advocate is wealth obtained through work. Wealth is the end and work is the means. It represents a principle. Whether or not we get rich through work marks a fundamental difference between the socialist way of getting rich and the capitalist way of getting rich. By getting rich, we do not mean doing so in the way Engels said of capitalist society: "Everyone will naturally become a speculator. This is to say that everyone will try to get something for nothing, sacrifice others' interests for his own, cash in on others' distress, and seize every opportunity to get rich....This type of speculation will reduce history and mankind to a means of satisfying the greed of adventuresome speculators" ("Collected Works of Marx and Engels," Vol 1 p 615). To get rich in the economic activities of socialist enterprises and individual works, we must rely on working hard, on improving matters of management and operation, upgrading technology, and on improving labor productivity. To get rich, we must also proceed from the conditions of our country and the realistic level of productivity, fight amidst hardships and build the country industriously and thriftily. In no way can we be stained with bourgeois ideas and operation styles. Still less can we get involved with profiteering, cheating, the supply of substandard goods, the manufacture of fakes, and the performance of any deed that is harmful to the state and the people, against professional ethics and even in violation of law and discipline.

The Principle of Integrating the Interests of Individuals With Those of the State and the Collective

Integrating the interests of individuals and those of the state and the collective is an important principle embodied in socialist moral standards. In socialist society, workers' individual interests are fundamentally at one with the interests of the state and the collective. Socialism cannot leave individual interests alone. It should fully satisfy the interests of workers where possible. Simply emphasizing the interests of the state and the collective without regard to the individual interests of workers can hardly encourage people to work hard for socialism. It can only dampen workers' enthusiasm.

Meanwhile, individual workers must also strive to uphold the interests of the state and the collective. Lenin said: "In the light of fundamental Marxist thinking, socially developed interests surpass proletarian interests; the interests of the whole worker movement surpass those of individual sectors among workers, or at the individual stage of a movement." ("Collected Works of Lenin," Vol 4, p 207) Socialist construction is an undertaking that covers the fundamental interests of every worker. It is where workers' state and collective interests lie and also where workers' fundamental individual interests lie.

Therefore, in socialist economic construction, any economic sector or individual should not, for the sake of the interests of a small group or an individual, throw the interests of the state and the collective to the winds and get involved with things harmful to the interests of the state and collective.

Where the interests of the state and the collective clash with those of a small group or an individual, we should make readjustments on the basis of the principle of doing everything to help the development of social productivity; set the relations straight between the state, the collective and the individual; insist on putting the interests of the state and the collective first; and let the interests of a small group or an individual be consciously subordinated to those of the state and the collective. This Marxist principle has not gone out of date and will never become outdated. We oppose the moral concept that uses respect for individual material interests as an excuse to worship the idea of individual supremacy and egoism.

The Principle of Serving the People

The socialist economy is a planned commodity economy. Under socialist conditions with the energetic development of the production and exchange of commodities, and the introduction of distribution according to work, we should admit that given different material interests, there inevitably exist, to varying degrees, conflicts of economic interests between economic sectors and between individuals. Under socialist conditions, denying these conflicts of economic interests in the present process of carrying out economic reforms and disallowing production workers to strive to obtain more financial income and work remuneration through improving economic results is unrealistic.

As the first stage of communist society, socialist society should recognize appropriate financial rewards obtained by workers on the basis of what they contribute to society. But it cannot advocate the capitalist idea of worshipping money and cannot let the relations of money be the dominant factor guiding people's economic activities, so that money is considered as everything had "everything is oriented toward money." The socialist economic system must be subject to reform. This is a self-improvement in order that the system be guided by fundamental socialist economic laws. While consciously applying the law of value in developing the socialist commodity economy, we must guard against letting the principle of exchange of commodities permeate political, ideological and moral realms. In regard to remuneration for work, we must still uphold the principle of combining spiritual encouragement with material incentives and insist on serving the people and being responsible to the people. Otherwise, the correct direction of socialist economic construction will be thwarted.

The Principle of Mutual Help and Cooperation

Morality regulates the relations between people in line with the economic principles recognized by a given society under different social systems. In our economic reform, we make appropriate readjustments about the relations between people and between departments, in line with the principle of doing everything to arouse people's enthusiasm for production and striving to revitalize the economy. For example, among economic enterprises, to ensure the thorough implementation of the economic responsibility system, measures calling for a system of contracting for production, rational competition among various economic enterprises, and so forth are taken. It should be noted that in socialist society, the relations between the leadership and the led, between management personnel and workers, and between various economic departments in economic enterprises are, fundamentally speaking, relations of mutual help and cooperation. The relationship between our socialist enterprises and workers is not one between the employer and the employed. Enterprise management personnel and producers are on equal footing politically and economically, and are all masters in socialist economic construction. Competition between our enterprises is socialist competition and is absolutely different from rivalry between capitalist enterprises intriguing against each other. Socialist competition does not exclude efforts to learn from each other, mutual support and mutual help among various economic enterprises, on the basis of unity and friendship. Only by properly readjusting relations between people and between economic departments in line with correct principles can our cause of economic construction further thrive.

And only in this way can we strengthen unity and cooperation among socialist production workers.

Moral standards for socialist society are an important part of the effort to build socialist spiritual civilization. They should keep in step with the development of the reform of the socialist economic system. In the process of economic reform, we must not only oppose those stereotyped patterns and "left" concepts and overcome ideological obstacles standing in the way of progress, but also guard against an evil trend toward disregard for socialist moral principles. This is to ensure the healthy development of the economic reform and to obtain fruitful results in building socialist matieral civilization and spiritual civilization.

CHANG JIANG DEVELOPMENT SEEN VITAL TO ECONOMY

HK190947 Beijing JINGJI RIBAO in Chinese 8 Feb 86 p 2

[Article by Wang Hui: "Give Play to the Role of the Chang Jiang as a Powerful Economic Link"]

[Text] The Chang Jiang irrigates stretches of fertile farmland along its banks and nurtures the growth and development of the modern Chinese economy. The Chang Jiang valleys covering 1.8 million square km and stretch from the west, which is abundant in natural resources, to the Shanghai economic region, where modern industry is concentrated. In the middle and upper reaches of the Chang Jiang valleys, the pace of development in hydropower and mineral resources along the banks has been stepped up, and the economy of its southwestern areas is rapidly developing. In its middle and lower reaches, a modern economic corridor is developing. Half of the country's cities with a gross annual industrial output value exceeding 10 billion yuan in 1985 are distributed here. However, the Chang Jiang's role as a powerful economic link is far from fully utilized. It is said that the Chang Jiang "should have 100 boats floating on it, but now one finds only a solitary sail drifting along." The shipping volume in the lower reaches of the Chang Jiang is only that of the Grand Canal. This is out of proportion with the Chang Jiang's role and water transportation situation. It is necessary to realize the economic modernization of the Chang Jiang's powerful role as an economic link. To achieve this, we must take a firm grasp of the two key tasks -- structural reform and scientific planning and management.

First, it is necessary to eliminate the restrictions of the system through reform. Because of the restrictions in the administrative relationship between "departments and areas," the economic links between the economies of various localities in the river valleys have been weakened or severed, the flow of commodities has been reduced, and some of the transportation means have been idle. This not only harms the development and expansion of the transportation system of the Chang Jiang. The Chang Jiang transportation system is a complicated one. Several sections include highway and railway transportation along with water transport. The contradictions and malpractices in the system are conspicuous here, and in-depth reform must be carried out to improve circulation and efficiency. At the same time, it is necessary to promote the development of regional and transregional markets, as well as the development of commerce and comprehensive transportation and communication organizations, so that the economy of the river valleys may rely to a greater extent on and make better use of the role of the Chang Jiang as an economic link.

Second, it is necessary to expand therole of the Chang Jiang as an economic link through scientific planning and management. By scientific planning, we mean a good blueprint. We should do our best to take into consideration using water transport on the Chang Jiang in its middle and lower reaches is relatively slow and broad.

The potential is great for a good plan. At the same time, it is required in our scientific planning to harness and use the Chang Jiang in a comprehensive way. It is necessary to improve efficiency in an installation even without changing the technological situation. It is necessary to improve transportation means and infrastructure as quickly as possible and to upgrade transportation capability on the Chang Jiang despite a limitation of funds.

RENMIN RIBAO URGES CONTROL OF CONSUMPTION FUNDS

HK191220 Beijing RENMIN RIBAO in Chinese 12 Feb 86 p 5

[Article by Guo Wenru and Yang Zejun of the State Statistical Bureau: "Consumption Funds Have Increased Too Rapidly, Macroeconomic Control Needs Strengthening"]

[Text] At present, the major problem in our country's economic development are that the total social demand exceeds total social supply and that the consumption funds have increased too rapidly. This is a major factor causing an imbalance between supply and demand.

Our consumption funds can be divided up into two parts according to the form of use, namely, the consumption of people as individuals and the collective consumption of the society. The former accounts for about 90 percent of the total consumption funds, while the latter accounts for about 10 percent. Therefore, the volume of the consumption of the people as individuals is the main factor affecting the increase in consumption funds.

From 1984-1985 Our Consumption Funds Rose Too Quickly

According to our initial calculation, during the Sixth 5-Year Plan period, the average annual rate of increase in our consumption funds was about 10 percent (calculated at comparative price levels), the same being the case in later contexts, a little more than the annual average rate of increase in our national income in the same period. The consumption of our urban and rural people rose by about 8 percent on average each year, substantially more quickly than any other period since the founding of the PRC. This has brought about a change in the long-standing situation of attaching importance only to production and construction, neglecting people's living standards, and having an excessive rate of accumulation.

If we analyze the Sixth 5-Year Plan period by dividing it into sections, during the first 3 years the consumption funds rose by about 8 percent a year on average, a little more quickly than the national income which rose by 7.6 percent per year in the same period. This resulted from the reduction of the capital construction scale and the readjusment of the proportional relation between consumption and accumulation. During this period, we also paid attention to readjusting our product mix, reduced the growth rate of our heavy industry, speeded up the development of our agricuture and light industry, and thus maintained a basic balance between the production of, and demand for consumer goods.

From 1984-1985, there was a clear change in the situation. On the one hand, the scale of our investment in fixed assets expanded quickly. In 1984, our accumulation rate exceeded 30 percent; in 1985, it was greater than 32 percent. On the other hand, our consumption funds also rose sharply. In 2 years, the consumption funds rose by 13 percent on average each year, not only much more quickly than it did in the first 3 years, but also more quickly than the national income, which rose by 11 percent a year in the same period. During the 2 years, the social labor productivity (the per capita national income of all the laborers in our society calculated at comparable price levels) grew by 8 percent a year on average, but the consumption of the people all over the country rose 11-odd percent a year on average.

From the point of view of the relations between the increase in consumption demand and that in the production of consumer goods, during the 2 years, the gross output value of agriculture and light industry rose by 12 percent a year on average, but the real income of the people rose by about 17 percent a year on average. From the point of view of the relations between supply and demand in the market, the ratio of the rate of increase in the sources of social retail commodities to that in social commodity purchasing power quickly rose to 1 to 1.6. The inability of the supply of consumer goods to meet the demand was relatively serious. This showed from another angle that during those 2 years, the total social demand exceeded the total social supply.

Consequence of the Excessive Increase in Consumption Funds

First, the prices of goods rose in our markets. Over the past 2 years, except for those commodities whose prices were readjusted by the state in a planned manner, the prices of some consumer goods of daily use and some foodstuffs have continued to rise. This was in the main a consequence of the shortage of supply in meeting the demand. Second, the consumption demand that people can afford has exceeded the supply. This will inevitably cause the surplus purchasing power of the people to rise sharply. By the end of 1984, the per capita balance of purchasing power of our people rose to 180 yuan at the end of 1984 from 67 yuan in 1980. After deducting the factor of inflation, the average annual rate of increase was 22 percent. Such a big latent purchasing power will place a relatively great pressure on the balance between supply and demand of commodities in our market in the future. Third, the rate of increase in our consumption funds was greater than that in our production. This will inevitably give rise to a sellers' market in the relations between commodity supply and demand. "The mud on carrots is not removed when carrots are selling well." Some production enterprises failed to pay attention to improving their product quality, increasing the variety of their products, or speeding up the substitution of new generations of products for old ones, but paid attention only to pursuing greater output of products and even produced their products haphazardly. This is not only detrimental to improving the economic results of our enterprises, but has also harmed the interests of our consumers and thus directly hindered the smooth development of the economic structural reform and the coordinated development of the national economy.

Strengthen Macromanagement and Achieve a Balance Between Supply and Demand

Our country is still a developing socialist country. The living standard of our people is still a basic one of having enough food and clothing. We are making efforts to reach a comparatively good living standard by the end of this century. In order to control the consumption funds within an appropriate range of increase, we should pay attention to the following:

First, the rate of increase in the staff and workers wages generally should not be greater than that in our labor productivity. There should be a rational ratio between them. We should perfect our wage funds control, strengthen the supervision of our banks, sort out irrational wage costs, and end the malpractice of competing with one another in paying bonuses in cash or in kind indiscriminately. We should strengthen our guidance and control over collective enterprises and regulate the units that have excessive wage costs through taxation.

Second, we should rationally readjust peasant incomes through our price policies. In the short run, we should adopt the policy of regulation that basically maintains the general level of the purchase prices of agricultural and sideline products, but allows the prices of different kinds of products to rise or fall. We should reduce through taxation the excessive increase in income caused by the decontrol of the prices of some agricultural and sideline products and some rural industrial products, in order to maintain a proper growth rate of our rural consumption funds.

Third, we should strengthen price management in our markets. In particular, we should pay attention to strengthening our management over individual industrialists and traders, prevent the practice of jointly pushing up prices and thus avoid the vicious cycle of price hikes pushing up wages and wage increases in turn pushing up prices.

PROJECTS SUBJECT TO APPROVAL BY CONSULTING ORGAN

HK2J1157 Beijing RENMIN RIBAO in Chinese 8 Feb 86 p 1

[Report by Lin Xi: "Important Capital Construction and Technological Transformation Projects To Be Examined by Consulting Organs Before Finalization"]

[Text] In view of the fact that many wrong decisions on capital construction projects have resulted in tremendous losses, all major construction and technological transformation projects to be initiated in the "Seventh 5-Year" Plan period are subject to examination by the China International Engineering Consulting Corporation, and no project is to be finalized solely by executive leaders at any level. This is an important reformatory decision unanimously adopted by the participants at a national conference on planning held recently.

From now on, the main duties of the China International Engineering Consulting Corporation are to screen applications for new projects and initiating technological transformation projects on behalf of the state, and to ensure that all projects shall be introduced on a scientific and reliable basis. In concrete terms, this means that the corporation, on behalf of the State Planning Commission, is to appraise and examine feasibility study reports on large and medium-sized projects and on those technological transformation projects with a value exceeding affixed limits, as well as the designs of large projects. On behalf of the State Economic Commission, it is to appraise some technological transformation projects with a value within a fixed limit. At present, the corporation is making arrangements to step up examination and evaluation of construction projects to be started in 1986 and in the "Seventh 5-Year" Plan period.

Founded in August 1982, the China International Engineering Consulting Corporation has been engaged in construction of the country and has done a great deal of valuable work in the past 3 years. For example, the corporation appraised and examined the feasibility study reports on more than 100 technological transformation projects and some capital construction projects, took part in drawing up the development plans for some open coastal cities and special economic zones and provided them with consulting services, and established relations with more than 30 engineering consulting organizations, banks, and companies abroad. At present, the corporation is composed of 39 subsidiary companies at home, providing professional engineering consulting services related to the fields of water conservation, electric power, coal mining, communications, the chemical industry, iron and steel, nonferrous metal, aeronautics, textiles, and construction. At the disposal of the corporation are 2,000 people, including 3,000 senior engineers with the ability of multi-disciplinary comprehensive evaluation.

In order to improve its service, the corporation is endeavoring to set up committees of specialists and specialized committees for different trades, with the aim of organizing well-trained specialists and scholars. At the same time, the corporation will also recruit foreign specialists to join its consulting business in the hope of becoming a firm providing the state with reliable data needed for correct decision-making.

Commentator's Article

HK201211 Beijing RENMIN RIBAO In Chinese 8 Feb 86 p 1

[Commentator's article: "An Important Reform in Managing Construction Projects"]

[Text] Our newspaper today carries a report on the China International Engineering Consulting Corporation's involvement in examining and appraising construction projects. The news item reveals that from now on, all major construction projects are subject to appraisal and examination by specialists from the China International Engineering Consulting Corporation on behalf of the State Planning Commission and the State Economic Commission, and that a project will be listed in the state plan based on the overall consideration by the State Planning Commission and the State Economic Commission only after approved by a specialists's group appointed by the corporation, and no project is to be initiated otherwise. This is an important reform of the management of construction projects in China.

Since the founding of the PRC, we have successfully started many projects with reasonable plans, advanced technology, and good comprehensive economic results. These have played an important role in developing the national economy and improving the people's living standard. However, we have also run some investment projects which have brought poor economic results and caused tremendous waste. Among many others, two common problems were the insufficient preparatory work and the status quo of decision-making power held in the hands of administrative leaders alone. The method of appraisal by engineering consulting organizations that we are to practice will undoubtedly play a great role in overcoming these shortcomings and in further introducing the procedure of scientific decision-making regarding construction projects.

Tremendous waste may be caused if we fail to make sufficient preparations and thorough examination of a project and its design before it is started, thus resulting in repeated changes in the design and exceeding the project's budget. Due to the lack of a complete system of design standards, the State Planning Commission and Economic Commission have to shoulder a heavy work load and, in fact, can hardly carry out meticulous examinations of projects. Now that special organizations are appointed to assist the state commissions in charge to take care of the task of project examination, this will help strengthen the preparatory work of a project, enhance the quality of feasibility studies, and ensure that a construction project is run strictly in accordance with objective laws and procedures of capital construction.

Although in the past few years we have improved the decision-making procedure concerning construction projects, thus far we have not yet changed the situation in which decisions are made by administrative leaders alone. As a result, we are likely to pay sole attention to current needs, onesidedly emphasize the interests of our own areas and departments, overlook scientific proof, and thus can hardly make comparisons between different proposals. By practicing the method of appraisal by specialized consulting organizations, we will be able to give full play to the specialities of experts in various fields, pool collective wisdom, distinguish between rights and wrongs, and between superior proposals and inferior ones in light of the findings of thorough investigations and studies, and thus give overall consideration to the necessity and the feasibility of construction projects. This will be highly advantageous to macroeconomic control over the scale of investment in fixed assets and the improvement of social benefits and economic results.

Technological progress is being made every day, there are unprecedentedly abundant resources of information, and production is becoming more and more socialized and modernized. Therefore, in making any decision, it is necessary to depend on and give full play to the functions of brain trusts. A correct decision can only be made based on the integration of administrative power and brain trust organizations.

CHEN MUHUA OUTLINES 1986 TASKS AT BANK MEETING

OW210409 Beijing XINHUA Domestic Service in Chinese 1220 GMT 20 Feb 86

[By RENMIN RIBAO reporter Ji Honggeng and XINHUA reporter Chen Naijin]

[Text] Beijing, 20 Feb (XINHUA) -- At a national meeting today of the branch directors of the People's Bank of China, Chen Muhua, state councillor and president of the People's Bank of China, called for broadening income sources, reducing expenditures, and improving economic efficiency. Financial work is vital to the overall national economy. The people's banks have become one of the major organs for regulating macroeconomics. It is essential to do successful financial work this year, the first year for implementing the Seventh 5-Year Plan. Chen Muhua outlined the following guidelines for this year's banking work:

1. Stepping up and improving overall financial control, dealing with each case on its merits, and avoiding general treatment;

2. Continuing to control the increased demand for funds, improving the supply system, rationalizing lending practices, and giving due support to further economic development;

3. Slowing down the unrestrained growth of demand and promoting moderate growth in order to achieve practical results;

4. Balancing revenue and expenditure of credit and foreign exchange, stabilizing the currency, promoting coordinated economic development, and improving the economic structure.

Specific tasks for this year's banking work are:

1. Increasing savings deposits. It is necessary to moderately increase the number of savings banks and to test the contract system in operating these banks. It is possible to run savings banks in conjunction with large enterprises in downtown districts. Vigorous efforts should be made to attract savings deposits from rural areas, to expedite withdrawal of funds from circulation, and to gradually promote postal savings.

2. Making good use of funds, tapping resources of circulating funds, establishing an order of priorities for financial support, and satisfying the needs of production and currency circulation. In granting loans from the circulating funds, priority should be given to the development of energy, communications, transports, and raw and semi-finished materials. The service trades, the production of readily marketable daily necessities, and the development of export companies and large and medium-sized enterprises will also enjoy priority.

3. Tightening up on loans for fixed assets and consumption funds. It is necessary to tighten up on loans for the development of special economic zones and coastal open cities, to ensure that efforts to develop these areas will not be in vain, but will result in construction, production, and profit. On the other hand, financial support should be given to these areas in earning foreign exchange and developing an export-oriented economy.

4. Improving the financial service and increasing the flow of currency. In order to reduce dealings with large amounts of cash, it is necessary to extend check and bill settlement operations this year. We should also allow city banks to issue certified checks, introduce current deposit checks on a trial basis, promote transfer accounts in rural areas for the procurement of farm and sideline produce, introduce traveler's checks in tourist areas, and experiment with the bank draft system in a small number of cities. Commercial bills will be cashed and discounted on a trial basis in 10 cities this year, so that enterprises can pay up their mutual loan debts.

5. Enhancing the role of the central bank and stepping up financial management. Efforts should be made to consolidate financial institutions and dissolve those establishments currently in violation of relevant regulations. Local governments at all levels must not run local banks, and no individuals are allowed to operate banks or other financial institutions and engage in financial business.

The People's Bank of China should also tighten foreign exchange controls in 1986 to balance revene and expenditure of foreign currency. In addition, it should facilitate the circulation of funds, promote economic relations between various enterprises, expedite financial legislative work, exercise multilayer control, and arouse the enthusiasm of specialized banks and local branches of the central bank.

PEOPLE's BANK OFFICIAL ON BANK CREDIT POLICY

HK210211 Beijing JINGJI RIBAO in Chinese 7 Feb 86 p 1

[Report: "What Changes Are There in the Bank Credit Policy This Year? -- Liu Hongru, Vice President of the People's Bank of China, Made a Statement Yesterday"]

[Text] Is there any difference in the bank credit policy this year compared with last year? This is a matter of interest to people in economic circles. On 6 February the editorial department of this newspaper invited Liu Hongru, vice president of the People's Bank of China, to a forum and asked him to talk about such issues as the bank credit policy for this year. The forum was attended by the directors (managers) of more than 30 large and medium-sized enterprises in the capital.

Question: Will you please discuss the principles and policies on bank credit to be adopted in 1986? What the principal changes compared with 1985?

Answer: The general requirements for banking work in 1986 are as follows: It is necessary not only to tighten but also to improve macrocontrol over finance, to conscientiously implement the policy of dealing with each case on its merits, and to avoid uniformity, not only to continue to bring expanding demand under control but also to improve supply, to issue credit rationally, to support efforts at further invigorating the economy, and to maintain a suitable growth rate on the basis of striving for better economic results; and to strive for a balance between receipts and payments in credit and foreign exchange, to preserve currency stability, and to stimulate the coordinated development of the economy and the rationalization of the economic structure. In order to fulfill these requirements, it is necessary to carry out reform, to improve quality, and to gain new experiences in three aspects, namely rational use of funds, increased saving, and improved service.

In principle, the state credit plan for this year can only be maintained at last year's level. Compared with 1985, it is particularly necessary to improve the credit structure, to regard readjustment of the credit structure as the focus of our work, to ensure meeting of routine capital demand for economic development, and to strive, as far as possible, to use our limited capital in those projects and products that yield better economic results.

It is necessary to give top priority to supporting the development of the energy, transport and communications, and raw and semifinished materials industries; to support the textile and other light industries in manufacturing good-quality consumer goods that are readily marketable; to support those enterprises earning foreign exchange through exports in their production and purchases; to vigorously support large and medium-sized enterprises in invigorating themselves; and to ensure the fulfillment of the purchase targets for budgetary farm and sideline products and for extrabudgetary farm and sideline products which are marketable and are in keeping with state pricing policy. Resolute efforts should be made to tighten credit for those enterprises and construction projects which engage in disorderly production, which are duplicated, and which yield poor economic results.

Question: Will the bank exercise some flexibility while adhering to principles in its credit policy?

Answer: When an enterprise borrows money from a bank, it should meet certain conditions. Bank credit should be repaid when it becomes due. This principle is unchangeable. However, due to myriad changes in economic activities, the bank has a certain flexibility in granting or refusing credit and in deciding on credit amounts. The key to the flexibility lies in dealing with each case on its merits and extending credit to the superior enterprises, with due consideration to the socioeconomic results of different trades, products, and construction projects. For instance, there should be some differences in the amounts, time limits, and interest rates for the credit extended to some trades, products, and projects in light of the needs of the national economy and their ability to repay capital with interest. This flexibility will be somewhat expanded with the development of the planned commodity economy in the future.

Question: How will the bank overcome the phenomenon of "uniformity" in extending credit in its efforts to encourage the development of products needed on the market? Does the bank have any special policies toward enterprises with satisfactory economic results?

Answer: In extending credit, the bank has always encouraged enterprises to turn out readily marketable products needed on the market. In our planned arrangements for this year, we shall stress readjusting the credit structure and increasing the supply of circulating capital; deal with each case on its merits, extend credit to the superior enterprises, and give preferential treatment in both credit amounts and terms of enterprises with satisfactory socioeconomic results; and improve the circulating capital management methods, develop financial ties among enterprises and regions, and support lateral economic combination.

Question: What measures will the bank take to solve the problem of circulating capital?

Answer: The principal measures the bank will adopt are to vigorously increase savings and other kinds of deposits, to recall loans when they become due, and to increase the sources of credit funds. The increased capital should first be used to extend credit to industrial and commercial enterprises and to vigorously help them increase the output of readily marketable commodities and export commodities so as to meet market needs. Due to the limited amount of credit funds, it is impossible to meet all demands. The key question is to thoroughly understand the circulating capital needs of the enterprises and to adopt different policies according to their different socioeconomic results.

Question: Will the bank adopt a free credit policy in an attempt to invigorate the economy?

Answer: Ours is a planned commodity economy. The forms of credit and capital accommodation should still be subject to planned guidance. For this reason, we cannot adopt free credit. Judging from the orientation of the reform of the economic structure, state control over the enterprises will gradually switch from direct into indirect. Moreover, with the development of lateral economic ties among enterprises, the bank should take measures to stimulate capital circulation in a lateral direction. It can invigorate the accommodation of capital among enterprises through different forms of commercial credit and, subject to approval, the application of such means as commercial papers and bonds. In addition to the newly increased credit for technological transformation, the loans recalled should be used as far as possible in the technological transformation of large and medium-sized enterprises.

Question: How will foreign exchange control reflect macroeconomic management? What new measures have been taken to encourage foreign exchange earnings through exports and to restrict the use of foreign exchange through imports?

Answer: in 1986 we should strengthen and improve macroeconomic management over foreign exchange. The focus of our work is to encourage foreign exchange earnings, to speed up collections of foreign exchange, and to control the use of foreign exchange on the merits of each case. At the same time, we shall strengthen unified control over foreign exchange so as to maintain a balance between foreign exchange receipts and payments. In an effort to encourage exports, we should ensure credit supply for the production and purchase of export commodities provided that they are marketable on the international market. It is necessary to improve methods of retaining foreign exchange by enterprises so that enterprises earning foreign exchange can retain their due share. Efforts should be made to ensure the imports of software, advanced technology, crucial equipment, and goods and materials needed for construction and to restrict the imports of high-grade consumer goods and parts for assemblage. When borrowing money from abroad, the local authorities, departments, and enterprises should report to the People's Bank of China for examination and approval. They should also report on the use and repayment of the loans to enable the bank to bring the total amount of foreign loans under control.

Question: Enterprises are now using more and more clearing capital [qing suan zhi jin 3237 4615 6327 6855] and the situation whereby enterprises delay payments to one another and use large amounts of cash is quite serious. Does the bank have any solutions to these problems?

Answer: We shall take measures to improve service and to invigorate circulation. Vigorous efforts should be made to develop the means of credit circulation, to improve the account-settling system to make things convenient for customers, to popularize the settling of accounts within the same city by bills, to cash, discount, or rediscount bills of exchange, to expand the scope of settling accounts by checks and bills, to ensure the cashing of checks in the same city, and to experiment with the use of savings deposit checks and traveler's checks.

LEADERS WATCH SATELLITE-RELAYED TV PROGRAMS

OW202030 Beijing XINHUA Domestic Service in Chinese 1620 GMT 20 Feb 86

[By reporter Guo Diancheng]

[Excerpts] Beijing, 20 Feb (XINHUA) — A trial use of our communications and broadcasting satellite has shown that it yields better results in relaying television and radio broadcasts than the rented international communications satellite does.

The National Defense Science, Technology, and Industry Commission held an on-the-spot meeting on the trial use of the communications and broadcast satellite at the Beijing satellite ground station tonight. Tian Jiyun, Li Peng, Yang Dezhi, Yu Qiuli, Zhang Aiping, Hong Xuezhi, and responsible persons and experts of the departments concerned under the State Council enthusiastically viewed television programs relayed by China's communications and broadcasting satellite.

In celebration of the successful positioning of our communications satellite, Comrade Chen Yun wrote an inscription: Concentrate our force on the development of China's astronautical undertakings in self-reliance. After the on-the-spot meeting was over, Zhang Aiping wrote an inscription in big characters: "A lucky star shines from high above."

LI PENG ORDERS ACCELERATION OF PORT DEVELOPMENT

OW200545 Beijing XINHUA Domestic Service in Chinese 1445 GMT 19 Feb 86

[Text] Dalian, 19 Feb (XINHUA) -- At the close of a national conference on port work, Li Peng, vice premier of the State Council, said today: It is imperative to take effective measures to step up our port work in order to ease the serious situation in which goods pile up at ports waiting to be shipped, while ships are docked waiting to be unloaded.

Li Peng pointed out: Marked achievements were made in port work in 1985, which have played a positive role in further opening the country to the outside world and developing industrial and agricultural production. In terms of the rapid growth of the export trade, however, our port work remains a weak link. From now on, we should stress effective measures to increase the handling capacity of various ports, strengthen plans for, and the management of, transporting imports and exports, and raise the level of port management.

In his speech, Li Peng affirmed the experience of experimenting with the delegation of Tianjin port management to Tianjin Municipality, holding that the experiment over the past 18 months was successful. The management of Tianjin port is delegated to Tianjin Municipality, and the port management system is now under dual leadership by both the Ministry of Communications and the municipality, with the latter playing the main role. Since the system was instituted, the port authority has been given greater decision-making power. As a result, the port now has more vitality, the enthusiasm of its workers and staff members has been raised, and its handling capacity has also greatly increased. At the same time, a lot of work has been done in technical transformation and renewal of equipment. The relationship between the port and the municipality has also been further strengthened. Li Peng said: The State Council has decided to delegate the management of the Shanghai and Dalian ports to lower levels this year, and to delegate the management of more ports to lower levels next year. When conditions are ripe, the management of ports will be systematically delegated to localities concerned.

Li Peng said: Our country now has a fleet of oceangoing merchant ships with a total shipping capacity of 17 million metric tons, and the size of the fleet is considerable by world standards. In shipping imports and exports, we must therefore try, in every possible way, to create conditions for making full use of our own ships and bringing their role into full play.

On giving play to the role of small and medium-sized ports, Li Peng called for changing the situation where big ports are very busy, while small and medium-sized ones stand idle. He called on relevant departments to plan the transport of some goods and materials through small and medium-sized ports, provided the flow of such goods and materials is in the correct direction.

At today's conference, the Tianjin port office, the Dalian port management committee, the Shanghai port office, and 18 other advanced ports were awarded certificates of merit for their outstanding achievements.

LI PENG ON IMPORTANCE OF TEACHER TRAINING

HK210223 Beijing RENMIN RIBAO in Chinese 12 Feb 86 p 3

[Report by Gao Xin and Fu Zhanwu: "While Expressing Festival Greetings to Teachers of Beijing Teachers University, Li Peng Stressed That To Carry Out Educational Work Well, We Should, First, of All, Run Teacher-Training Education Effectively"]

[Excerpts] On the morning of 11 February, Li Peng, member of the Political Bureau of the CPC Central Committee, member of the Secretariat, and vice premier of the State Council, went to Beijing Teachers University to extend festival greetings to teachers, and held a discussion meeting attended by some middle-aged and young teachers.

Li Peng told the teachers: At present, our country is on the whole becoming more and more prosperous every day. Although we are still facing many difficulties, with the deepening of economic structural reform and educational structural reform, and further development of our country's economy, our educational undertaking will surely become more flourishing, and the working and living conditions of teachers will become better and better.

Li Peng repeatedly stressed: To carry out educational work well, we should, first of all, run teacher-training education effectively. As far as the State Education Commission is concerned, it should exert more efforts in teacher-training education.

After the discussion, Li Peng, deputy directors of the State Education Commission He Dongchang and Peng Peiyun, and others went to dormitories of teaching and administrative staff to pay a special visit to several old professors who were over 70.

YUAN BAOHUA, ZHANG JINGFU ADDRESS BUILDING FORUM

OW201439 Beijing XINHUA Domestic Service in Chinese 0830 GMT 20 Feb 86

[By reporter Ge Daxing]

[Text] Beijing, 20 Feb (XINHUA) -- Yuan Baohua, vice minister of the State Economic Commission, has pointed out: The policy "everybody makes contributions to the building materials industry" has been proven a correct practice in helping develop the building materials industry. This policy should also be applied to other economic departments.

Addressing today's first national work conference of building materials industry circles, Yuan Baohua said: The present situation in China's building materials industry is very good. The longtime acute contradiction between the supply and demand of building materials such as cement, plate glass, and others has begun to be alleviated. The result is inseparable from building materials departments' proposed policy of "everybody makes contributions to the building materials industry," which promotes technological and economic progress in the whole industry.

Yuan Baohua held that the policy of "everybody makes contributions to the building materials industry" is not an expediency, but an important policy that has strategic significance.

The policy enables the mobilization of various forces to accelerate the development of social productive forces, breaking down barriers between regions and departments and broadening interregional and interdepartmental economic cooperation. The policy also encourages competition and promotes technological progress. He said: Some economic departments have begun to break out of the go-it-alone type of operation, resulting in work activism that has never seen before. Practice shows that economic departments should follow the objective law of economic development. Attention should be paid to organizing and promoting production according to the development demands of a particular trade. Economic departments should fire up work enthusiasm for developing the economy to make our undertaking more prosperous.

Yuan Baohua stressed: The building materials industry is one of the basic industries affecting the overall national economy. Since it is an important industry, it should be given development priority. Building materials departments should therefore strengthen management. Special attention should be paid to promoting technological progress. The main emphasis of technological progress should be placed on developing China-made advanced equipment in order to change the backwardness of our technology in building materials industry.

Attending the meeting were leading comrades from regional building materials departments, enterprises, and administration organs of village and town enterprises; experts and scholars from economic and science and technology circles; and responsible persons from the departments and commissions concerned of the State Council. State Councillor Zhang Jingfu addressed today's meeting. He said: You gather here to suggest plans for the development of the building materials industry. This gathering itself is a manifestation of "everybody makes contributions to the building materials industry." He hoped that all would contribute to building materials industry with one heart and one mind, adhere to giving priority to quality, do a good job in multipurpose application, and pay attention to social benefits in order to provide more and better basic materials to revitalize our economy.

YANG JINGREN SPEAKS ON DEVELOPING CPPCC ORGANS

OW201331 Beijing XINHUA Domestic Service in Chinese 0851 GMT 20 Feb 86

[By reporter He Ping]

[Excerpts] Beijing, 20 Feb (XINHUA) -- At the forum on local CPPCC work which began today, Yang Jingren, vice chairman of the National CPPCC Committee, said: Since the 3d Plenary Session of the 11th CPC Central Committee, the CPPCC organs, particularly those at the city and county (district) level, have made tremendous progress. As of the end of 1985, there were 2,800 CPPCC organs at all levels throughout the country with a total membership of 350,000.

Yang Jingren pointed out: Right now, the local CPPCC organs are carrying out their work actively and in an overall manner. The local CPPCC organs at all levels have brought into full play their main role in conducting political consultations and providing democratic supervision, and they have vigorously organized their members to discuss major state affairs and important local events. They have played their role as a manpower reservoir well and have organized their members in discussions and offer proposals for the development of the four modernizations program. In close coordination with the government and according to the needs of society and people, they have taken the initiative to perform actual deeds that benefit the country and the people. On the basis of the fact that CPPCC members have more contacts overseas, they have strengthened their ties with the compatriots in Taiwan, Hong Kong, and Macao and with Overseas Chinese, and they have promoted the cause of the motherland's reunification. They have actively promoted people's diplomacy, have tried to make more friends, and have developed the international united front.

Yang Jingren said: The local CPPCC organs at all levels have gained rich experience in their work and have broadened their knowledge of CPPCC theories.

Liu Lantao, vice chairman of the National CPPCC Committee, presided over today's forum. Attending the forum were Vice Chairmen of the National CPPCC Committee Kang Keqing, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Burhan Shahidi, Fei Xiaotong, and Ma Wenrui; acting Secretary General Zhou Shaozheng of the National CPPCC Committee; and Li Gui, deputy head of the United Front Work Department of the CPC Central Committee.

The forum will last for nine days. Attending the forum were more than 200 people, including the responsible comrades of the CPPCC organs in various provinces, autonomous regions, and municipalities under the administration of the central government and in some cities and counties as well as the responsible comrades of various democratic parties and relevant mass organizations.

WANG ZHEN, OTHER LEADERS ATTEND CPPCC SOIREE

OW202251 Beijing XINHUA Domestic Service in Chinese 1548 GMT 20 Feb 86

[By reporter Yin Hongzhu]

[Excerpt] Beijing, 20 Feb (XINHUA) -- The Beijing Opera and Kunqu Opera Office of the CPPCC National Committee held a soiree, featuring Beijing opera and Kunqu opera, at the CPPCC National Committee auditorium this evening.

Wang Zhen, Yang Jingren, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Ma Wenrui, and Rong Gaotang joined some 1,000 others, including some CPPCC National Committee members in Beijing, personalities of various circles, Hong Kong and Macao compatriots, and Overseas Chinese, to watch the Beijing opera "Liu Bei and Zhou Yu" and the Kunqu opera "A Nun's Story."

PREFECTURES, CITIES, COUNTIES REORGANIZED

HK210407 Beijing RENMIN RIBAO in Chinese 12 Feb 86 p 4

[Report by Zhu Xiaoqing: "Last Year China Abolished 10 Prefectures, Put Counties Under Cities"]

[Text] For the purpose of strengthening urban and rural integration, promoting urban and rural economic development and prosperity, and bringing the role of key cities into full play while keeping pace with urban economic structural reform, last year China abolished 10 prefectures and put counties under cities.

The 10 prefectures are as follows: Shanxi Province abolished Jindongnan Prefecture and upgraded Jincheng City to a city at the prefectural level. The counties in the former prefecture were put under the jurisdiction of Changzhi and Jincheng Cities; Jilin Province abolished Tonghua Prefecture and upgraded Tonghua and Hunjiang Cities to cities at the prefectural level exercising jurisdiction over the counties in the former prefecture; Zhenjiang Province abolished Jinhua Prefecture and upgraded Jinhua and Quzhou Cities to cities at the prefectural level exercising jurisdiction over the counties in the former prefecture; Fujian Province abolished Jinjiang Prefecture and upgraded Quanzhou City to a city at the prefectural level exercising jurisdiction over the counties in the former prefecture.

It also abolished Longxi Prefecture and upgraded Zhangzhou to a city at the prefectural level exercising jurisdiction over the counties in the former prefecture; Shandong Province abolished Taian Prefecture and upgraded Taian City to a city at the prefectural level exercising jurisdiction over the counties in the former prefecture, with the exception of Pingyin County, which was put under the jurisdiction of Jinan City, and Sishui and Wenshang counties, which were put under the jurisdiction if Jining City; Sichuan Province abolished Mianyang Prefecture. The counties in the former prefecture were put under the jurisdiction of the three prefectural-level cities of Mianyang, Guangyuan, and Suining.

Neijiang Prefecture was abolished and Neijiang City upgraded to a city at the prefectural level exercising jurisdiction over the counties in the former prefecture. Leshan Prefecture was abolished and Leshan City upgraded to a city at the prefectural level exercising jurisdiction over the counties in the former prefecture; and Gansu Province abolished Tianshui Prefecture and upgraded Tianshui City to a city at the prefectural level exercising jurisdiction over the counties in the former prefecture, with the exception of Xihe, Lixian, Huixian, and Liangdang counties, which were put under the jurisdiction of Longnan Prefecture, and Zhangxian County, which was put under the jurisdiction of Dingxi Prefecture.

13 Autonomous Counties Formed

HK200849 Beijing RENMIN RIBAO in Chinese 12 Feb 86 p 4

[Report: "China Set Up 13 Autonomous Counties Last Year"]

[Text] China set up 13 autonomous counties in 1985. They are: Xiuyan Man Autonomous County, Fengcheng Man Autonomous County, and Xinbin Man Autonomous County in Liaoning; Xuangjiang Lahu-va-Blang-Dai Autonomous County, Weixi Lisu Autonomous County, Jingdong Yi Autonomous County, Jinggu Dai-Yi Autonomous County, Puer Hani-yi Autonomous County, Yangbi Yi Autonous County, Lluquan Yi-Miao Autonomous County, and Jinping Miao-Yao-Dai Autonomous County in Yunnan; and Datong Hui-Tu Autonomous County and Minhe Hui-Tu Autonomous County in Qinghai. By the end of 1985, China had 93 autonomous counties and 3 autonomous banners in all.

AUDIT FINDS EDUCATION FUNDS MISUSED IN PROVINCES

HK210522 Beijing CHINA DAILY in English 21 Feb 86 p 3

[Text] More than 80 million yuan ($25 million) of state education funds have been squandered by authorities in 12 provinces on noneducational projects, feasting or frauds, the State Audit Agency said in a nationwide circular.

A recent investigation covering 450 provincial and county education departments in Hunan, Shaanxi, Liaoning, Henan, Heilongjiang and seven other provinces discovered that education funds allocated to some 1,700 middle and primary schools had been diverted to other channels and squandered "fraudulently." The total of the misused funds ran to more than 82 million yuan.

More than 32 million yuan ($10 million) of the money had been spent by the provincial or city authorities on building their own offices, residences, and guesthouses or buying cars. Some even used the money as business capital to establish trading firms, the circular said.

In Shaanxi Province, some rural schools had to use old clay-built desks and stools in their classrooms because the money allocated for new furniture had been squandered by the local authorities on "buying cars and doing business." In Henan Province, the education bureaus in Yuanyang, Xinxiang, Fangcheng and Jiaxian counties went so far as to withhold 400,000 yuan ($125,000) allocated as cash subsidies for county school teachers and students and squandered the money of other things, the circular said.

Some provincial agencies were found to have falsified account entries to divert cash for education to other projects. According to the circular, more than 21 million yuan ($6.6 million) had been taken out of funds intended for education by nine provinces, causing serious difficulties in many schools. In Heilongjiang Province, county authorities withheld flood relief funds allocated to local schools and "transferred" the money to other items. As a result, the flood-damaged schools had to cut their teaching hours by half to allow new students into their few undamaged classrooms, the circular said.

A few counties were found to have squandered their education funds on touring and feasting in the name of "making inspections." One county in Henan Province spent more than 10,000 yuan ($3,100) on a five-day "inspection" of local primary schools, during which the 69 officials enjoyed luxurious dinners, drank 250 bottles of liquor and smoked more than 100 cartons of cigarettes -- all on education expenses.

Poor financial management in the provincial education departments had also led to corruption in schools. A Shaanxi county school's deputy headmaster, who was also the school's treasurer and cashier, pocketed 21,000 yuan ($6,600) in eight years without being detected by his superiors, the circular added.

The State Audit Agency is urging provincial authorities to reorganize their management of education funds and correct malpractices, according to GUANGMING DAILY.

MILLIONS EXPECTED TO WATCH TV PROGRAM ON WEST

OW201903 Beijing XINHUA in English 1841 GMT 20 Feb 86

[Excerpts] Beijing, February 20 (XINHUA) -- Some 300 million Chinese people — 40 percent of the total population -- are expected to tune in to a T.V. program about western topics this coming Sunday. The 15-minute series will be the first T.V. program produced in the United States specifically for China. It will be aired twice on the same Sunday, once in English and once in Chinese, at a pre-set time through the year to enable people to watch it regularly.

Chinese government officials believe that almost everyone with access to a T.V. set will enjoy the program. "Our people will thank you for making such an amusing and knowledgeable T.V. series," said Minister of Culture Zhu Houze, after watching five sample episodes, including ones focusing on New York, Paris and Cairo.

In the first episode, she [hostess Yue-sai Kan] features New York as a microcosm of America, a city of ethnic villages in a country of immigrants. She explores the unique immigrant experience in this exciting, vibrant, beautiful and very tough city, and we see how different ethnic groups adapt to their new situation and surroundings. The program, which started over six years ago, is currently aired on 518 cable and UHF systems in 48 states, reaching a potential audience of 47 million, she said.

1985 PRODUCTION, TRANSPORT STATISTICS REPORTED

HK200859 Beijing JINGJI RIBAO in Chinese 12 Feb 86 p 2

[Text] Principal statistics on industrial production and transport for December 1985:

Items	Unit of Calculation	1985	December 1985	Compared to previous year
Gross Industrial Output Value	100 million yuan	8238.4	722.4	117.7
Light industry	100 million yuan	4112	373.7	118.6
Heavy industry	100 million yuan	4126.4	348.7	116.8
Bicyles	10000	3234.69	288.29	113.2
Sewing machines	10000	986.43	91.4	105.9
Watches	10000	4173	348.8	114.2
Television sets	10000	1621.7	136.28	162.8
Radios	10000	1573.42	126.64	72
Recorders	10000	1270.86	125.44	169.8
Washing machines for home use	10000	883.16	80.03	152.7
Cameras	10000	179.68	16.56	141.7
Electric Fans	10000	3109.44	269.78	178
Refrigerators for home use	10000	139.24	17.03	259.1
Chemical fibers	10000 tons	94.5	8.8	130.2
Yarn	10000 tons	351.05	29.82	109
Cloth	100 million meter	142.75	12.04	106.6
Chemical fiber cloth	100 million meter	60.65	4.77	104.1
Silk products	100 million meter	13.72	1.26	120.7
Wool fabric	100 million meter	21073	1686	120.3
Knitting wool	10000 tons	12.04	0.99	111.6
Sugar	10000 tons	445.02	99.64	119
Rock salt	10000 tons	1444.6	73.2	88.7
Cigarettes	10000 boxes	2351.2	226.4	110.7
Beer	10000 tons	307.61	14.38	140.4
Machine-made and paper matrix	10000 tons	825.95	67.49	115.7
Light bulbs	100 million	15.07	1.2	108.3
Raw Coal	10000 tons	85034	7854	110.2
Crude oil	10000 tons	12479	1062.7	109
Natural gas	100 million cubic meter	128.61	10.26	103.6
Generated energy	100 million kwh	4072.7	367.9	108.7
Hydroelectricity	100 million kwh	909.5	65	106.4
Pig iron	10000 tons	4359.6	392	109
Steel	10000 tons	466	397.2	107.6
Rolled steel	1000 tons	3692	289.33	109.5
Coke	1000 tons	3899.62	332.27	107.9
Sulphuric acid	1000 tons	668.72	49.55	82.3
Soda ash	1000 tons	200.22	16.94	106.4
Caustic soda	1000 tons	234.7	18.86	105.7
Chemical fertilizer	1000 tons	1335.26	89.19	90.1
Pharmaceuticals	10000 tons	16.6	0.59	117.7
Farm chemicals	10000 tons	20.5	0.94	66.4
Cement	1000 tons	14245.6	1205.3	117.7
Plate glass	1000 standard boxes	5605.81	521.74	118.4
Generating equipment	10000 kilowatt	561.1	167.98	120.6

Metal-cutting machine tools	10000	561.1	167.98	120.6
Motor cars	10000	15.45	1.2	117.6
Small tractors	10000	78.14	3.28	116.5
Locomotives	set	746	55	113.4
Railroad cargo volume	100 million tons	12.75	1.03	105.2
Freight volume of ship under Ministry of Transport	1000 million tons	1.82	0.12	109.5

(statistics supplied by the State Statistical Bureau)

JIANGSU GOVERNOR GU XIULIAN ON ECONOMIC GUIDELINES

OW200640 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 19 Feb 86

[Excerpts] According to a report by XINHUA RIBAO, on 18 February the Jiangsu Provincial People's Government held a meeting of its staff to transmit the guidelines of the national planning and economic work conference. Comrade Gu Xiulian spoke on three points concerning the implementation of the guidelines of the national conference and doing this year's work well.

1. It is necessary to conscientiously understand the guidelines of the national planning and economic work conference and further clarify the guiding ideology for this year's economic work. The national planning and economic work conference has correctly assessed the current economic situation, and it clearly put forward this year's tasks of economic construction and structural reform. Conscientiously studying the documents of the national conference, understanding its guidelines and making clear the guiding ideology will have a great influence on doing a good job in this year's economic work. Carrying out this year's economic work, we should continue to attach importance to solving the problem of total demand exceeding total supply in society in order to ensure the stable growth of the economy.

2. We should strive to do a good job in this year's planning and economic work in compliance with the guidelines of the national planning and economic conference.

We should further develop the rural economy, promote production of commodities in great demand, expand exports to create more foreign exchange, curtail the scale of fixed investment, increase revenue, stabilize commodity prices in the market, speed up reform and opening to the outside world, develop science, education, culture, public health and other social work, and strengthen the building of spiritual civilization in the economic field in order to have a good start in implementing the Seventh 5-Year Plan.

3. We should unify our understanding, improve our workstyle and perform our tasks in a better way.

Today's XINHUA RIBAO also frontpages an editorial entitled: "Further Making Clear the Guiding Ideology for This Year's Economic Work."

SHANGHAI PARTY LEADER VISITS HANDICRAFT EXHIBIT

OW191040 Shanghai City Service in Mandarin 0100 GMT 19 Feb 86

[Excerpt] According to station correspondent (Teng Xiaojian) and reporter (Jiang Lan), the municipality's arts and crafts industry, in which manual labor is the most concentrated, has begun technological transformation. Products of this trade will soon enter a new period characterized by the new replacing the old. This was revealed at the 1986 Shanghai exhibition of famous, outstanding, and new products which opened yesterday. Rui Xingwen, secretary of the municipal party committee, visited the exhibition yesterday.

SHANGHAI MAYOR ON MAJOR RAILWAY PROJECT

OW191032 Shanghai City Service in Mandarin 0100 GMT 19 Feb 86

[Excerpts] According to station reporter (Yuan Hui) and correspondent (He Shouxian), the municipal government yesterday held a mobilization meeting to speed up the construction of a new passenger railway station and the lines leading to it. The meeting firmly decided that all the units and residents in the project area be relocated by the first half of this year. The new passenger station is one of Shanghai's largest construction projects since the founding of the country. The project involves three counties and four districts. The project requires the relocation of 243 units and 7,300 residential households.

Mayor Jiang Zemin proposed at the meeting that the units and residents to be relocated should consider the whole situation and carry out dismantling and relocation according to schedule, and that the various districts, counties, and bureaus concerned should cooperate closely and solve well the actual problems of the units and residents concerned.

SHANGHAI: CITY-RURAL TRADE GROWS

OW181046 Beijing XINHUA in English 1031 GMT 18 Feb 86

[Text] Shanghai, February 18 (XINHUA) -- Trade between Shanghai and its neighboring rural counties reached more than five billion yuan last year.

"They need each other," Rui Xingwen, secretary of the Shanghai Municipal Communist Party Committee, wrote in a local newspaper after a recent extensive tour of the rural counties.

Nearly 65 percent of the industrial firms in the 10 counties surrounding Shanghai produce parts for large urban factories.

Altogether the counties -- with a population of five million -- sold two billion yuan in goods and agricultural products to the city while the city -- with seven million people -- sold three (?billion) yuan in manufactured goods to the counties.

The counties' output value is growing at a faster rate than Shanghai's, although they last year generated only a little more than a sixth of the city's total.

Previously rural areas around Shanghai are rapidly industrializing to meet the growing demand for industrial products -- from within China and from abroad.

Last year farming and related enterprises in the 10 counties accounted for only one-fifth of the total output value, with the rest coming from industrial and service enterprises.

Rui said in the last five years more than half of those on the city's outskirts have left farming to work in industry, commerce and service trades. This has made farming more efficient, Rui said, as it has become increasingly done [as received] by households interested in agriculture -- and successful at it.

More than 4,400 such households specialize in farming and related businesses. According to Rui, each farmer in a household specializing in grain produces enough to feed up to 40 people a year, 11 times the figure produced by general farmers, who tend to work with far less equipment and training.

At present, residents of Shanghai's outskirts -- 5,700 square kilometers in all -- annually produce enough grain to feed themselves and the city's population for six months. In addition, two-thirds of the pork, poultry and eggs consumed in Shanghai are produced in the 10 rural counties, which also send the city cotton each year to last four months.

ZHEJIANG COMMENTARY ON IMPORTANCE OF AGRICULTURE

OW210613 Hangzhou Zhenjiang Provincial Service in Mandarin 1000 GMT 20 Feb 86

[Station commentary: "Unswervingly Implement the Policy of Taking Agriculture as the Foundation"]

[Text] Since the convocation of the 3D Plenary Session of the 11th CPC Central Committee, the party Central Committee has always placed agricultural production, the problems of peasants, and rural work in an important position. We can say that the recovery and development of the national economy started in the rural areas, and the reform of the economic structure also started in the rural areas. A series of reform measures have promoted the speedy and all-round development of the rural economy. The agricultural foundation today is much stronger than in the period prior to the convocation of the 3d Plenary Session of the 11th CPC Central Committee. However, we must see that the solution of the food problem does not mean that agricultural production has been completely successful. At present, the foundation of agriculture is still quite weak. China is a big country with 1 billion people, of which 800 million are a rural population. We must never slacken our efforts to grasp agriculture because we have improved the situation in agricultural production.

At present there is an urgent need to reeducate cadres of various departments at all levels to take agriculture as the foundation and further set right the position of agriculture in the national economy. We should create public opinion advocating the importance of agriculture and stressing that farming is honorable. We should ask various departments to correctly estimate economic conditions in the rural areas and the peasants' ability to share their burdens. We should firmly establish the idea of serving the peasants and effectively reduce their burdens. In order to strengthen the agricultural foundation, we must increase our investment in agriculture. The increase of investment depends on many things. The central authorities and the provincial government will increase funds for investment in agriculture and various cities, prefectures, and counties should also increase such investment to the extent possible. However, the accumulation of funds in the rural areas is the most important thing.

The implementation of the policy of industry assisting agriculture is an effective way to adjust the interests of peasants engaged in various kinds of work and stablize the agricultural foundation. In 1985 the total funds from village and town enterprises used to assist agricultural production reached 150 million yuan, and the results were relatively good. In the future, we should persist in and constantly improve the policy of industry assisting agriculture and use surplus funds to promote agriculture. At the same time, it is necessary to insure sufficient farm labor and strengthen capital construction for agricultural production.

The fundamental way out for agriculture is to arm it with modern science and technology. We should strengthen the building of scientific and technical personnel, and stabilize and reinforce the ranks of agricultural technicians and management personnel.

The spark program [xing huo ji hua] is to spark modern science and technology in agriculture and village and town enterprises and let the fire spread far and wide. Units at various level should all formulate appropriate spark programs and implement them in a prompt manner to speed up the technical transformation of various trades in the rural areas and the pace of transforming traditional agriculture into modern agriculture.

ZHEJIANG LEADERS ATTEND COMMENDATION MEETING

OW210505 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 20 Feb 86

[Text] The Zhejiang Provincial Bureau in Charge of Village and Town Enterprises today held a meeting to commend a number of advanced units in developing village and town enterprises.

In 1985 various village and town enterprises in this province consciously accepted the state's centralized control, adhered to the road of integrating scientific research with production work, and actively produced commodities in great demand. It was the best year for developing village and town enterprises during the Sixth 5-Year Plan period. The total output value of village and town enterprises in each of the 5 counties exceeded 1 billion yuan and the output value of village and town enterprises in 14 countries doubled that of the previous year. At the same time, the output value of each of the 7 townships reached 100 million yuan .

Those commended at today's meeting included the bureau in charge of village and town enterprises of Shaoxing County, the Hangzhou (Wanxiang) Shoe Plant, the Huangyan Resin Chemical Works, and 44 other units.

Wang Fang, secretary of the Zhejiang Provincial CPC Committee, and Shen Zulun, member of the Standing Committee of the provincial CPC Committee and vice governor of Zhejiang, issued letters of commendation to representatives of the advanced units. Comrade Wang Fang congratulated the units for their achievements last year in developing village and town enterprises. He said: The development of village and town enterprises is an indispensable way of invigorating the rural economy. Various localities should give appropriate guidance according to local conditions, continue to strengthen centralized control, expand lateral coordination, tap latent potential, and raise Zhejiang's village and town enterprises to a new level.

SHENZHEN MAYOR ON SPECIAL ECONOMIC ZONE'S FUTURE

OW202020 Beijing XINHUA in English 1943 GMT 20 Feb 86

[Text] Shenzhen, February 20 (XINHUA) -- Mayor Li Hao said here today he is "confident about the future of the Special Economic Zone. At a tea party for Shenzhen and Hong Kong journalists, he said that his confidence rests on the achievements Shenzhen has made, the correct policy, the support by the whole nation and better understanding of economic construction in the Special Economic Zone (SEZ).

Shenzhen, a sleepy border town only five years ago, has become a modern city with a comprehensive economy. It has 900 industrial enterprises which have begun to invade international markets. Moreover, technical and managerial personnel have flocked to the SEZ while financial projects, commerce, tourism and real estate have expanded rapidly.

The development of Shenzhen has attracted attention at home and abroad. This proves the value of the SEZ, the mayor pointed out. He attributed the achievements to the policy of opening to the outside world, which is fixed in China's Constitution.

The State Council held a national meeting on Special Economic Zone work recently, summing up experience and working out policies for the further development of the SEZ, he said.

On the support from other places, the mayor noted that 28 provinces, autonomous regions and municipalities, and a dozen industrial departments under the State Council have set up offices in Shenzhen. Without the support of the whole nation, the construction of Shenzhen would have been "unimaginable", he said. The continuous support from other regions of China provides a "reliable guarantee" for its further progress, according to Li Hao. Industrial departments and enterprises of other parts of China are becoming even more interested in the SEZ, which has a better environment for investment, and import of technology and funds, the said.

The efforts of the past five years, he added, have equipped officials in Shenzhen with experience, and better understanding of construction principles and policies. Since not everything is good, he expressed a welcome for criticism and help from various circles.

The SEZ is bidding to become a city with developed industry and trade, advanced technology and culture, and improved livelihood. He said the future of the SEZ depands on its attractiveness to domestic and foreign investors, its ties with other parts of China and the competitiveness of its products.

Shenzhen, therefore, will shift from large-scale construction to a new phase of consolidation and improvement, he said. The SEZ will control the investment size of fixed assets, focus on construction of energy, transport and telecommunications facilities, and improve management and economic returns.

On the relations between Shenzhen and Hong Kong, he quoted the words of a Chinese legend to compare Hong Kong to a new "silk road" leading to the outside world. He said that Shenzhen and Hong Kong had close relations before the SEZ was set up. "The establishment of the SEZ has facilitated the cooperation and exchanges between the two places."

For example, Hong Kong accounted for 90 percent of the imported funds involved in the 3,967 contracts that Shenzhen signed with overseas businesses between 1980 and 1985. The cooperation in trade, tourism, energy supply, transport and telecommunications is known to all, he said.

A guideline to the relations between Shenzhen and Hong Kong is "support, cooperate and learn from each other for common prosperity", according to the mayor.

As a product of the policy of opening to the outside world and the reform, Shenzhen shall adhere to the policy and carry out the reform on economic management, including bankruptcy of enterprises, issuing stocks, management according to industry, and commerce. He also noted the SEZ is now rectifying the work style of the party, cracking down on corruption, strengthening construction of socialist culture and morality, and improving political and ideological work.

HUNAN PARTY LEADER STRESSES IMPROVING PARTY STYLE

HK210247 Changsha Hunan Provincial Service in Mandarin 1100 GMT 20 Feb 86

[Excerpts] The provincial CPC Committee held a gathering of provincial organ cadres in the Hunan Military District Hall this morning. It called on the party members and cadres of the party, government, and army organs in the province to seriously implement the spirit of the gathering of central organ cadres and the important speeches and comments of leading central comrades, and to take resolute action to do a good job in correcting party style in the provincial organs and truly ensure that they set an example for the whole province.

Provincial CPC Committee Secretary Mao Zhiyong delivered a speech entitled: "The Provincial Organs Must Set an Example for the Whole Province in Straightening Out Party Style." Xiong Qingquan, deputy secretary of the provincial CPC Committee and governor, presided.

In his speech, Comrade Mao Zhiyong first analyzed the current performance of the provincial organs in straightening out party style. He pointed out: To further straighten out party style in the provincial organs, it is essential to make an objective and truth-seeking assessment of the current state of party style. He pointed out: The main current of party style in the provincial organs is good. A good momentum has appeared in correcting party style throughout the organs. However, we must soberly realize that there are also many party style problems in the provincial organs. The problems which are currently reported with greatest vehemence by the masses in the provincial organs are as follows:

1. There has been some growth in extravagance and waste in recent years. This is highlighted by efforts to purchase and exchange cars, make trips abroad under various pretexts, and spend public funds on tourist trips, giving banquets, and presenting gifts.

2. People look for money everywhere and use their powers in pursuit of the private interests of individuals and small cliques. Some units harm the state's interests by evading tax payment and withholding profits that should be paid to the state.

3. A few party and government organs and cadres are still running businesses and enterprises. This problem has not yet been completely solved.

4. Some cadres are seriously bureaucratic and irresponsible in work. Some leading cadres are apathetic in work and fail to go among the masses or into the grassroots to investigate and study. They make their views known as they please and issue decisions at random. Some shirk their duties when problems crop up. Some cadres do not bother about politics in employing people and do not care about the orientation in managing businesses. They spend and allocate large sums of money in an arbitrary way, causing heavy loses to state finances.

5. Some cadres are seriously departmentalist. In dealing with problems or affairs, they simply seek the interests of their own unit or department instead of taking the overall situation into account. Some departments shift their troubles onto each other instead of supporting and cooperating with each other. Some even find all kinds of pretexts for failing to carry out the decisions of higher authority. Some compete with each other in scope of powers, size, grading of organs, and pay and conditions.

6. In organizational and personnel affairs, some stress affections and relationships instead of party spirit and principles. They organize small cliques instead of promoting great unity.

7. Some comrades pursue political liberalism. They do not seriously study the party's principles and policies, but carry out those that suit them and do not carry out those that do not. Some even spread their grumbling. Some deliberately leak party secrets. Some like to listen to and pass on gossip without any concern for its veracity. Some take an attitude of saying nothing about the liberal behavior of some people while knowing perfectly well that it is wrong. They fail to report, criticize, or struggle against violations of law and discipline, but just take a laissez-faire approach.

Comrade Mao Zhiyong also pointed out: The problem concerning a very small number of party-member cadres, including a very few leading leading cadres, have developed to an extremely serious stage, and they have slipped into the mire of violating law and discipline. Comrade Mao Zhiyong said: Why have malpractices in the provincial organs not been effectively curbed, and why have some actually developed? Analyzing the reasons, we find that our leading organs have failed to get a tight grasp of the problems.

As far as the provincial CPC Committee is concerned, in the past we failed to attach sufficient importance to correcting party style or to get a good grasp of this work. We were in fact too soft-handed.

Comrade Mao Zhiyong said: The most important current problem in straightening out party style is action. We must utter less empty talk and do more practical work. We must score notable success in the first half of this year, and review progress in June.

We must get a good grasp of investigating and dealing with criminal cases and strictly enforce party discipline and state law. The provincial systems, departments, and bureaus must seriously arrange the cases that have occurred in them in order of seriousness and organize prompt action to investigate and deal with them. The focus must be on solving problems involving leading groups and leading cadres. We must seriously and strictly investigate and deal with violations of law and discipline among leading groups and leading cadres. The more they are sons of senior cadres, and the more they are senior cadres and well-known figures, the more must we get a good grasp of investigating and handling their cases.

We must straighten out discipline and put systems on a sound basis. We must focus on straightening out discipline in personnel work, financial and economic work, propaganda, foreign affairs, and in keeping secrets.

Comrade Mao Zhiyong said: In the final analysis, bad party style means that the party spirit of some party members is not pure. Hence, in straightening out party style, it is essential to get a good grasp of education in party spirit, which is the fundamental thing. Comrade Mao Zhiyong said: The key to whether the provincial organs can score success in straightening out party style lies in the leadership. The party committees and groups of all departments and units must regard straightening out party style as a prominent task and concentrate more efforts to get a good grasp of it. In order to strengthen leadership over the work of straightening out party style in the provincial organs, the provincial CPC Committee has established a leadership group for this purpose, with an office attached. The provincial systems and the departments and bureaus should assign leading comrades to be specifically responsible for the work.

BRIEFS

HUBEI TOWNSHIP ENTERPRISES -- In 1985 there were 430,000 town and township enterprises in Hubei, employing 3 million people or 18 percent of the rural manpower. Their output value totaled 11 billion yuan, an increase of 51 percent compared to the previous year. Their profits totaled 1.19 billion yuan, an increase of 41.7 percent compared to the previous year. Their tax delivery totaled 450 million yuan, an increase of 50 percent over the previous year. Of the gross output value of township enterprises, farming industry accounted for 4.5 percent; industry, agricultural and sideline production processing industry accounted for 71.5 percent; and building materials and construction industry accounted for 12 percent. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 16 Feb 86 HK]

GUANGDONG CITY FOREIGN EXCHANGE -- Last year Dongguan City earned foreign exchange of $160 million and became the city at the county level which earned the largest amount of foreign exchange in the whole country. The city vigorously developed export products. Last year the city set up a vegetable base on some 16 million mu, a waterweeds base on 4,000 mu, a fruits base of 3,000 mu, a chicken farm which produces 300,000 fine breed chickens a year, and a pig farm which produces 10,000 head of learn meat pigs a year. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 14 Feb 86 HK]

GUIZHOU'S HU JINTAO URGES CADRES TO HELP POOR

HK210323 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Excerpts] Cadres of provincial organs who are being transferred to poor and remote areas for strengthening grass-roots work have begun training prior to their departure. Leading comrades of the provincial CPC Committee urged them to seriously study relevant central documents, to heighten their understanding, to become mentally prepared, and to do more and better work for the poor and remote areas.

Yesterday afternoon, at the provincial CPPCC hall, the provincial CPC Committee held a study report meeting of provincial organ cadres who are going to be transferred to the rural areas. Hu Jintao, secretary of the provincial CPC Committee, delivered a report on the study at the meeting.

He said: The provincial CPC Committee's decision to transfer cadres to poor and remote counties for strengthening grass-roots work is an important measure in putting an end to the poor situation in the areas. It is an important step in improving organ work style, and an important way to train and develop cadres and qualified personnel. In the year following their transfer, the cadres should focus their work on the development of productive forces and extricating the poor and remote areas from the poverty-stricken state. They should help the poor by soliciting experiences from the rich. They should uphold the simultaneous building of the two civilizations, as well as attaching great importance to the development of intellectual resources and the training of qualified personnel.

Comrade Hu Jintao put forward several requirements for and expectations of the cadres. He hoped that the cadres would seriously follow party principles and policies and closely integrate them with local conditions. He also hoped they would closely integrate the aspirations of extricating the poor areas from the poverty-stricken state with their solid work.

The meeting was presided over by (Long Zhiyi), Standing Committee member and Organization Department director of the provincial CPC Committee.

He said: Following the announcement of the provincial CPC Committee's resolution to transfer cadres for strengthening grass-roots work in the rural areas, the provincial organs overfulfilled the quota of selecting cadres, including those at department level. The original quota was 500 cadres but now it has been increased to 535 people. They possess better political quality, are younger and better educated. They will be sent in 11 work teams to Beijie, Weining, Nayong, Hezhang, Luodian, Jianhe, Congjiang, Ziyun, Panxian, Wangmo and Yanhe counties.

The report meeting was attended by over 700 people, including Ding Tingmo, deputy secretary of the provincial CPC Committee; responsible people and cadres of various provincial units.

GUIZHOU BANKS REFORM CREDIT MANAGEMENT SYSTEM

HK201241 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 16 Feb 86

[Text] Since the reform of the management system of credit funds, the industrial and commercial banks in our province have seriously strengthened macroeconomic control and enlivened the microeconomy so that they have been able to use limited funds to promote the development of production.

Last year, all industrial and commercial banks throughout the province controlled the total amount of credit within the scale determined by the state and in accordance with the principle that the more a people's bank receives, the more loans it issues. Following this principle, the banks received and lent out some 13 million more yuan of funds, thus vigorously promoting industrial production and expanding commodity circulation in our province.

After the provincial industrial and commercial bank formally set up a system by itself in March last year, it was confronted with a tight situation, with control over the scale of credit, with differences in credit, and with the situation of the serious shortage of enterprises' floating capital. Under the circumstances of relatively big contradictions between the supply and demand of capital, the provincial industrial and commercial bank clearly put forward the demand of flexible regulations and a quick turnover of credit funds. All branches and offices of the industrial and commercial bank throughout the province vigorously organized forces to investigate the situation in production and marketing, economic results, costs for production, and enterprise management in the enterprises which had credit relations with them. They came to understand the situation in production and operations in all enterprises. In accordance with the situation which they came to understand after investigation, they lent funds to those whose situation in production and marketing was good, whose economic results were good, whose costs for production were low, and whose enterprise management was good, ensuring the development of backbone enterprises and the production of the main products.

Last year, industrial and commercial banks at all levels throughout the province issued loans of some 160 million yuan for 200 items of technological transformation. They supported the production of name-brand, superior quality white wine, the metallurgical industry, building materials industry, communications, and machine-building industry, and the production of main products. According to incomplete statistics, last year, as a result of the items of technological transformation throughout the province which were supported by loans, the total amount of the output value increased by 340 million yuan and additional profits and taxes of 120 million yuan were made for the state.

Industrial and commercial banks at all levels throughout the province have also sent forces deep into all enterprises to help them work out plans and tap the potential of their capital so that these enterprises can solve their problems of insufficient floating funds. Beginning at the end of last year, the credit workers of all banks have gone to the enterprises which have connections with them to help them solve the problems of production funds. They have helped these enterprises promote sales of products kept long in stock and collect arrears of money of goods sold. They have also urged the payment of loans irrationally issued. The majority of enterprises have replenished their floating funds by themselves. According to statistics, with the assistance and supervision of industrial and commercial banks at all levels, the amount of credit funds for tapping potential reached 100 million yuan last year, effectively solving the problem of insufficient floating funds in some enterprises.

BANQEN ERDINI VISITS XIZANG FOR CEREMONY

HK210231 Lhasa Xizang Regional Service in Mandarin 1130 GMT 14 Feb 86

[Excerpt] Banqen Erdini Qoigyi Gyancan, vice chairman of the NPC Standing Committee and honorary president of the Buddhist Association of China, made a special trip to Lhasa on the morning of 14 February by special plane to attend a grand praying ceremony at Lhasa. Accompanying Banqen Erdini to Lhasa were (Song Yinping), deputy director of no 2 bureau of the CPC Central Committee's United Front Work Department, and others. The living Buddha (Jia Ya), Banqen's scripture teacher, also arrived in Lhaxa by the same plane.

Party, government, and Army leading comrades, including Wu Jinghua, secretary of the regional CPC Committeee, Pagbalha Geleg Namgya, vice chairman of the regional People's Congress Standing Committee; Raidi, deputy secretary of the regional CPC Committee; Doje Cering, deputy secretary of the regional CPC Committee and acting chairman of the regional People's Government; and Jiang Hongquan, commander of the Xizang Military District, made a special trip to the airport to greet Vice Chairman Banqen and his party.

XIZANG DEVELOPS BORDER TRADE, RESULTS NOTED

HK201145 Lhasa Xizang Regional Service in Mandarin 1130 GMT 16 Feb 86

[Text] According to XIZANG RIBAO, since the beginning of last year, the Dinggye County CPC Committee and government, while upholding the policy of opening up to the outside world and enlivening the domestic economy, have strengthened management over border trade markets to provide conveniences to border residents and enliven the economy, resulting in an unprecedentedly good situation.

There are two border trade markets -- (Remu) and (Shaer) -- in Dinggye County. In the past, due to the influence of leftist ideas, people in the county did not emancipate their minds on the issue of border trade. At that time, most people were scared and obstructed border trade. The county CPC Committee and People's Government feared that border residents on the foreign side might benefit from border trade, so they exercised strict control over border trade markets and set many rules and regulations. As a result, border residents and merchants on the foreign side dared not come to the Chinese side to do business, thus dampening the enthusiasm of border residents on both sides for doing business.

After a study done last year, the county CPC committee and government realized that this was an ultra-leftist idea. In order to further open up to the outside world and enliven the domestic economy, the county CPC Committee and government threw away all unreasonable rules and regulations and actively supported border residents in doing a small volume of border trade. They also encouraged the masses to boldly exchange products with border residents on the foreign side on an equal basis so as to help supply each other's needs. According to the statistics of the (Shaer) market alone, in 1985, 30 foreign merchants from 18 households came to the market to do business. They brought 4,690 jin of rice, 5,760 jin of maize, 1,500 jin of butter, 86 bolts of sikkim cloth, 1,430 boxes of various dyestuff, and other daily necessities. The total transactions amounted to 300,000 yuan, an all-time high.

YUNNAN BANKS ENSURE FUNDS FOR DEVELOPMENT

HK210217 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Text] Under the situation in which the state controlled the level of bank credit, banks in the province last year adopted a series of measures to strengthen macroeconomic controls while enlivening microeconomy, thus basically ensuring the supply of funds urgently needed in economic development and promoting a continuous, steady, and coordinated economic development.

In face of a shortage of credit funds, people's banks and professional banks at all levels in the province last year focused their work on tapping their own potential and regulating funds. They adopted the method of controlling funds while enlivening the economy and achieving good results in enlivening the economy on the basis of controlling the total amount of bank credit. By so doing, they solved the contradiction between supply and demand in credit funds in a relatively good way and attained the target of controlling the amount of money put into circulation and the amount of loans granted to fixed assets investment.

The money put into circulation by the banks in 1985 decreased by 23 percent over 1984, and the excessive growth of consumption funds has been controlled to a certain extent. This ensured a stable financial situation in the province.

In order to expand sources of credit funds, all professional banks, while strengthening macroeconomic controls in the financial field, adopted active measures to absorb more money deposits on the one hand and recoveded due or overdue loans on the other. The province overfulfilled by 87 percent all bank deposit targets for 1985, marking an increase of 24 percent over 1984. About 86 percent of all agricultural loans granted by the province's agricultural banks were recovered in 1985, an increase of 27 percent over 1984. Due to great efforts made by banks at all levels, loans granted by the province's banks in 1985 increased by 41 percent over 1984. This ensured the supply of funds urgently needed in the province's economic construction and met the needs in production and money circulation.

BRIEFS

GUIZHOU WORKERS RESIDENCES -- The funds for building workers' residential houses in Guizhou Province last year reached 322 million yuan, an increase of 36.7 percent over the preceding year. The area of workers' residential houses reached 2.65 million square meters and was 25 percent larger than in the preceding year. The area on which workers' residential houses were completed totaled 1.33 million square meters. Funds for capital construction in the culture, education, and public health systmes last year reached 140 million yuan, about 40 percent of which was used to build residential houses. [Summary] [Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 16 Feb 86 HK]

SUN WEIBEN ATTENDS HEILONGJIANG PERFORMANCE

SK210421 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 20 Feb 86

[Text] On the evening of 20 February, the Heilongjiang provincial acrobatic troupe performed for the leading personnel of the provincial CPC Committee and the provincial People's Government in order to introduce their reformed programs.

Attending the performance were leading comrades from the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, and the provincial People's Government, and retired veteran cadres.

The performance has shown that the troupe has conducted many reforms in its performing style and program content and has increased a large number of performances with high and difficult skills that have embodied the guiding ideology of winning a victory by standing out among the acrobatic troupes and programs. The performance has enabled the audience to find every program fresh and new.

After the performance ended, Sun Weiben, secretary of the provincial CPC Committee, received the performers. At the reception, he praised the spirit displayed by the perfomers with regard to creating something new and urged them to further acquire masterly skills and to reach the best technical standard.

JILIN TELEPHONE CONFERENCE ON PARTY RECTIFICATION

SK200741 Changchun Jilin Provincial Service in Mandarin 2200 GMT 19 Feb 86

[Text] On 19 February, the party Rectification Guidance Group of the provincial CPC Committee held a telephone conference on the province's township and town party rectification work. Comrade Wang Xianjin delivered a speech. He reviewed achievements made at the previous stage of township and town party rectification work, pointed out existing problems, and worked out plans and made arrangements for the next step of township and town party rectification work. He stressed that it is necessary to proceed from the reality, make corrections in the course of rectification, pay attention to actual results, and continue to improve party rectification work.

In his speech, Comrade Wang Xianjin pointed out: So far, about 40 percent of the province's townships and towns have completed the work of conducting special education on party rectification. The situation has been good in general. However, the tendencies of racing against time and speed, and ignoring education on party spirit still exist in some units.

As for the next step of township and town party rectification work, Comrade Wang Xianjin put forward five demands:

1. After conducting special education on party rectification, we should concentrate a period of time on reviewing party rectification. The focus of the work is to see whether we have thoroughly exposed the major problems of malpractices, whether the party-member cadres have enhanced their awareness of party spirit, whether we have unified our ideology and understanding of the major guidelines of the several Central Documents No 1, and whether we have achieved actual results in conducting rectification and making corrections. Before spring plowing, most units should mainly conduct special education on party rectification and review the past work. After the spring plowing, they should enter the comparison and examination stage of party rectification.

2. We should do a good job in grasping the party rectification and work style consolidation of the units in charge of two fields of work and the various county township enterprises and establishments.

3. We should further strengthen the building of grass-roots leading bodies. After completing the work of making comparison and examination in township and town party rectification, we should give full consideration to universally conducting a public opinion poll among the leading bodies, explaining the situation to cadres and assessing them, and based on this, should do a good job in readjusting the leading bodies.

4. We should make corrections in the course of rectification, conscientiously solve the exposed problems, deal with them according to each respective person and unit, and see to it that each and every major problem has been handled. We should speed the handling of some problems about which the masses are most concerned and have complaints and report the situation in solving the problems to the masses in a timely manner. The already exposed major and appalling cases must be investigated and verified and be strictly handled in line with the party's discipline and state law. The relevant policy issues should be studied conscientiously and dealt with prudently. We should grasp four points in implementing the policy of allowing some party members and peasants to become prosperous ahead of others. Those who have led the people in becoming rich should be commended; those who have taken the lead in becoming rich through hard work should be protected; those who have become rich through illegal means should be guided; and those who have violated law and committed crimes should be handled in line with law.

5. We should use party rectification to promote farming preparations and spring plowing and exercise dual leadership over specific work.

At the end of his speech, Comrade Wang Xianjin touched on the issue of the urban neighborhood party rectification. He called for efforts to carry out neighborhood party rectification by proceeding from the reality and in line with the actual conditions of the neighborhoods, and to grasp and resolve major issues. Those units which have or have not initiated party rectification should, under the unified plans of the city and district CPC Committees, concentrate a certain period of time on investigating and studying the neighborhood party rectification, carrying out experimental work, and based on this, comprehensively unfolding party rectification in the neighborhoods.

TAIWAN AUTHORITIES URGED TO FOLLOW PEOPLE'S WILL

OW201423 Beijing in Mandarin to Taiwan 1500 GMT 19 Feb 86

[Commentary by station commentator (Zhong Ming): "It Is Better To Follow the People's Will"]

[Text] Recently the Taiwan authorities took several steps in conformity with the trend of the times and the will of the people to handle questions concerning the two sides of the strait and their relations. They approved a request from actress Yang Huishan's family to travel to Hong Kong to meet with their relatives from the mainland, relaxed the restriction on traveling to forbidden areas by Taiwan seamen employed from abroad, and allowed certain units to subscribe to newspapers and periodicals published on the mainland. Limited as the authorities' opening measures appear, it should be noted that they are certainly good for the establishment of postal, transport, and trade relations and the shortening of the distance between the two sides of the strait. They should be described as a certain extent of progress.

However, the pity is that the Taiwan authorities' progress in this field is quite unstable, and a relapse of their previous practice has occurred. Not long ago they reiterated the so-called prohibition against Chinese people visiting the mainland. As everyone knows, the two sides of the strait are of the same country, and every Chinese has the right to travel between them. If we say that the abnormal state of separation is a result of national misfortunes in the past and is a matter of regret caused by history that the people have not been allowed to exercise this sacred right for decades, then the two sides of the strait should go all out to cooperate today to provide the people with every convenience and to compensate them as much as possible. On the contrary, however, the Taiwan authorities have made openly intervened by restricting the people from visiting the mainland. The alleged reason for doing so is that they are afraid that the people would mistakenly fall into the united front trap.

As is known to the world, the mainland's united front work is no secret. There is a United Front Work Department in the People's Government. Since the united front work is not a conspiracy, there is no need to set up traps. The basic purpose of this work is to serve the interests of the country and people and to unite all forces that can be united so that they may work together and do their best to fulfill their duties. This was the case in the past. It is still so at present and will continue to be the case in the future. There is nothing to fear in the slightest.

Deeply conscious of the righteous cause, many personages within the Kuomintang have a long experience in cooperating with the Communist Party and are clearly aware of the latter's united front work. To put it bluntly, the authorities' allegation about mistakenly falling into the united front trap indicates their fear that people would return to the mainland.

Why is this fear? In the past the propaganda media on the island described the mainland as a very terrible place, making the people very fearful of the mainland. In recent years, however, because numerous overseas channels have been opened, the compatriots on the island have been able to gradually understand the true situation on the mainland, eliminate much of their misunderstanding, and free themselves to a great extent from previous misgivings. Meanwhile, the lies of some people have also been exploded.

As the saying goes, seeing for oneself is a hundred times better than hearing from others. It is quite reasonable that driven by such a thinking, a lot of Taiwan compatriots, of course, want to visit and tour the mainland so that they can make their own judgment as to the right and wrong. In particular, those compatriots who have relatives, friends, and old acquaintances on the mainland are trying in every conceivable way to seek opportunities to return.

This is also normal and beyond reproach. Facing such circumstances, the authorities should ask themselves this question: Why is it that the more the people are prohibited from visiting the mainland, the more they want to do so? What does this indicate? The answer is quite simple; it is because the people have lost their faith in the authorities. Lacking self-knowledge in this respect, however, the authorities resort to the so-called regulations on exit and entry control for Taiwan area during the period of suppression of communist rebellion in dealing with those who once slipped into the mainland.

What was the result of the efforts ot suppress the communist rebellion over the past decades? The answer is known to all. Both the time and circumstances changed long ago. Not only did the civil war come to an end, but even the state of confrontation with each side shelling the other also became a matter of the past. In January 1979, the People's Government on the mainland proposed that peaceful talks be held between the Kuomintang and the Communist Party so as to work together to fufill the great cause of reunifying the motherland and to end the sad situation. Later, suggestions were adopted from people of all circles and concepts for reunification of the motherland were put forward on numerous occasions.

In dealing with this major issue concerning the future of our country and people, however, the Taiwan suthorities have consistently pursued a policy of no contacts, no talks, and no compromise. Fearing that the people would oppose their stubborn attitude, they have often put out the disgraceful banner to scare the people. This is what they call the suppression of the communist rebellion. Is the influence on the hundreds of millions of our compatriots caused by the past rebellion-suppression efforts not disastrous enough? Shouldn't the resulting human tragedies be put to an end at an early date?

The so-called regulations on exit and entry control for Taiwan area during the period of suppression of communist rebellion used by the Taiwan authorities have long been opposed and spurned by the people of Taiwan. People's representatives of Taiwan have time and again called on the authorities to abolish these regulations.

By reviewing what has happend over the past decades, the Taiwan authorities should understand this principle: The people's will cannot be opposed.

GOVERNMENT WELCOMES DEFECTION OF PLA PILOT

OW211039 Taipei CNA in English 1029 GMT 21 Feb 86

[Text] Taipei, Feb. 21 (CNA) -- Foreign Ministry spokesman Cheyne J.Y. Chiu said Friday that the Government of the Republic of China has instructed its embassy in Seoul to find out the details about the arrival of a communist Chinese MiG-19 jet fighter in South Korea this afternoon. According to reports from Seoul, the communist plane took off from Juken in northeastern China and landed at Suwon airbase, 30 miles south of Seoul, at 1:50 P.M. Taipei time.

Chiu said that the Chinese Embassy staff in Seoul has been instructed to contact the South Korean Government on details of the incident. He said that as a matter of principle the Republic of China welcomes any Chinese communist pilot who defects the Peiping regime to seek freedom. Several Chinese communist pilots have flown to South Korea in recent years to seek freedom. They have all come to the Republic of China.

Defector's Rank Identified

OW211007 Tokyo KYODO in English 0955 GMT 21 Feb 86

[Excerpt] Seoul, Feb. 21 KYODO -- A Chinese Air Force MiG-19 fighter plane landed at a South Korean air base at Suwon, 40 kilometers south of Seoul, Friday and the pilot sought asylum, the Defense Ministry said. The fighter entered South Korea's airspace around 2:30 p.m. Friday as South Korean Air Force planes scrambled to intercept the Soviet-designed aircraft, officials said.

After the pilot of the warplane demonstrated his peaceful intentions by waving the wings of the plane, the South Korean planes guided it in to land at the air base. South Korean authorities have not disclosed the name of the pilot, the only person aboard, or his motive to defect. An informed source here said the pilot is a lieutenant colonel of the Chinese Air Force.

MINISTER SAYS COMBAT CAPABILITIES TO BE ENHANCED

OW201149 Taipei CNA in English 1035 GMT 20 Feb 86

[Text] Taipei, Feb. 20 (CNA) -- Defense Minister Soong Chang-chih said Wednesday that the Republic of China will strive to beef up its offensive-defensive combat capability in order to assure superiority in the Taiwan Straits. Minister Soong told local and foreign military reporters at a Lunar New Year gathering at the Chinese Armed Forces Officer's Club in Taipei that the nation will continue striving for the modernization of weapons and equipment under the policy of building elite forces through thriftiness and hard work in the coming year.

Soong said that the military, under the wise leadership of President Chiang Ching-kuo, have achieved remarkable progress in training, education, combat preparedness, defense science and technology, and the modernization of arms in the past years. "But we are not complacent with our past performance," the minister said. With strong conviction and determination, he stressed, the military will endeavor to meet new challenges in the future.

Soong also pointed out that the Peiping regime has attempted to induce foreign capital and technology to help modernize its economy and military. "The reform, however, can never succeed as long as it sticks to the 'four resistances'" he said.

On the future plan, Soong pledged that the military will undertake extensive training to improve combat capabilities. He also said that the military will join with public and private industrial sectors to develop defense technology and upgrade military equipment and weapons.

CHINA POST SCORES U.S. ARMS SALES TO PRC

OW210641 Taipei CHINA POST in English 18 Feb 86 p 4

[Editorial: "Heritage Foundation's Opposition to U.S. Arms Sales to Peking"]

[Text] The U.S. Heritage Foundation's Asian Study Center in Washington, D.C. has voiced its opposition to U.S. arms sales to Peking through an article by director Martin Lasater, published in the New York City TRIBUNE Feb 4. Lasater said in the article that the proposed U.S. $500 million arms sales would upgrade Peking's F-8 jet fighter to enable it to fight in all types of weather. He pointed out that the proposed deal was made as the Peking regime is distancing itself from the United States strategically while improving its relations with the Soviets.

Furthermore, such arms sales are being opposed by all non-Communist nations in the Asian and Pacific region such as Japan, South Korea, the ASEAN nations and the Republic of China on Taiwan, which has a tremendous stake in this deal as it will vitally threaten the ROC's peace and security. The avionics sale would upset the delicate military balance on the two sides of the Taiwan Strait, which the United States is committed to preserving under the 1979 Taiwan Relations Act (TRA). In view of the Peking regime's often repeated threats to use force to settle the so-called "Taiwan issue," it is a foolhardy move by the United States to sell Peking such advanced weapons and improve its F-8 fighters. Lasater suggested that the U.S. Congress should set some guidelines on the sales of arms to Red China. He said that one such guideline is the principle embodies in the TRA that the ROC should have the weapons needed to protect itself from military attack. He proposed to sell the ROC F-20 jet fighters of F-16 jet fighters like those the United States has just agreed to sell Indonesia.

The above comments deserve our close attention and support. The proposed U.S. arms sales to Peking concern more than just weapons needed for self-defense and include items for offensive operations. The pro-Peking lobby in the United States has persuaded Reagan administration officials to violate the TRA by agreeing to the August 17, 1982, Joint Communique, which contradicts the TRA. It is helping the Chinese Communists to isolate the ROC in the international community by acknowledging the double-talk contained in the Shanghai Communique which the Republic of China has vehemently protested and never recognized.

It is indeed time for the U.S. Congress to hold a hearing on the implementation of the TRA to find out which people are subverting its original purpose of protecting the Republic of China from harm after the U.S. recognition of the Peking regime -- itself an unprecedented betrayal of a U.S. wartime ally and long-standing friend.

As Senator Barry Goldwater has pointed out in his recent report to President Ronald Reagan dated Jan 21, 1986 "there is a disturbing perception which exists in certain foreign countries that the United States is not living up to past promises to support the defense capabilities of its friends." The Arizona Senator also wrote to Secretary of State George Shultz on Jan 22 protesting U.S. military sales to Red China and calling attention to the threat this activity would pose to other nations in the Asian Pacific. He told Secretary Shultz, "Never in our history have we needed a friend as we need Taiwan today." He added that by providing military items to Peking, the United States is alienating South Korea, Japan and most of all, the ROC.

Based on the above considered opinions of Senator Goldwater and the Heritage Foundation's Director Lasater and many others in the U.S. Congress, the Congress should first veto the Reagan administration's proposal of providing arms sales to the Peking regime and second support greater arms sales to the Republic of China on the basis of the TRA.

PRESIDENT'S SON TAKES UP SINGAPORE DUTIES

HK190543 Hong Kong SOUTH CHINA MORNING POST in English 19 Feb 86 p 20

[From K.C. Tsang in Singapore]

[Text] Mr Chiang Hsiao-wu, second son of Taiwan's President Chiang Ching-kuo. arrived in Singapore yesterday as Taiwan's deputy trade representative, his first overseas posting. The sudden arrival of Mr Chiang, tipped as heir-apparent to the presidency, has surprised political observers. Sources close to the Foreign Ministry here said they had not been officially informed in advance of Mr Chiang's arrival. But Singapore authorities were told as Mr Chiang's name appeared on the VIP list at Singapore's Changi Airport.

While in Singapore, Mr Chiang, 41, will take over the post held by Mr P.Y. Lu for three years. Mr Lu will be transferred to Saudi Arabia as an economic attache. Singapore maintains no diplomatic ties with either China or Taiwan. But Prime Minister Lee Kuan Yew's city state is on good speaking terms with both Beijing and Taipei. Taiwan runs the Trade Mission of the Republic of China in Singapore to handle commerce and visa applications. The posting is expected to last at least one to two years.

Mr Chiang was head of the China Broadcasting Corp. in Taiwan until this relatively insignificant posting. The chief trade representative is Mr Hu Shing, who has served in the current post for two years.

Wearing his usual sunglasses, Mr Chiang arrived at the airport early in the afternoon. "I am happy to have the opportunity to work here and to learn more things," Mr Chiang said. "I like to work to promote the common interests of Singapore and Taiwan." Mr Chiang arrived while China'e state councillor, Mr Gu Mu, was visiting Singapore.

China and Singapore signed an agreement on co-operation in tourism, civil aviation and exhibitions on Monday. According to one Singapore official, the country is maintaining "healthy" trade relations with both Taiwan and the mainland.

There was one suggestion here that Mr Chiang was sent abroad by his father to stop all the speculation about his possible succession to the presidency. But official sources here believe that such a possibility was not strong, as President Chiang himself had on more than two occasions categorically denied the chances of his son succeeding him. "We must understand that Mr Chiang's denial is unprecedented in the working of politics in Taiwan. We can take his words as true, so there is no need for Mr Chiang to be posted overseas to confirm this. After all, he can't be away from home forever," the sources commented. In the views of these officials, exposure seemed to be the major reason for the posting.

PROBLEMS IN JUDGMENTS IN ECONOMIC CASES VIEWED

HK200507 Hong Kong WEN WEI PO in Chinese 17 Feb 86 p 7

["Background news": "Difficulties with Judgments in Economic Criminal Cases in the Interior" -- capitalized passages published in boldface]

[Text] OVER THE PAST FEW MONTHS, COURT JUDGMENTS ON A LARGE NUMBER OF CASES INVOLVING ECONOMIC DISPUTES IN THE INTERIOR HAVE FAILED TO BE CARRIED OUT IMMEDIATELY. THE REASONS ARE: ... OVER THE PAST FEW MONTHS, THE MAIN PROBLEM ENCOUNTERED BY THE PEOPLE'S COURTS IN THEIR WORK OF JUDGING ECONOMIC CRIMINAL CASES IS THAT THE COURT JUDGMENTS ON A LARGE NUMBER OF CASES INVOLVING ECONOMIC DISPUTES IN THE INTERIOR HAVE FAILED TO BE CARRIED OUT IMMEDIATELY. THE REASONS ARE: ...

Over the past few months, the main problem encountered by the people's courts in their work of judging economic criminal cases is that the court judgments on a large number of cases involving economic disputes in the interior have failed to be carried out immediately. So the relevant departments should pay particular attention to this problem and properly solve it.

SOME ENTERPRISES' MANAGEMENT AND ADMINISTRATION ARE INEFFICIENT AND LOSSES ARE SERIOUS, SO THEY CANNOT PAY THEIR DEBTS.

The Boading City movie machinery factory bought 1,000 motorcycle component parts from the Tianjin City automobile gear factory. The two sides signed the contract in July, 1981. Because the Boading City movie machinery factory blindly bought component parts which have since been kept in stock, it has suffered losses of 180,000 yuan and now owes more than 333,000 yuan to the Tianjin automobile gear factory and cannot pay the debt.

BECAUSE SOME ENTERPRISES HAVE BEEN CLOSED, MERGED, TRANSFERRED OR CONTRACTED BY INDIVIDUALS, THE ACCUSED SIDE HAS A LOT OF REASONS TO REFUSE OR DELAY PAYING ITS DEBTS, SO COURT JUDGMENTS HAVE FAILED TO BE CARRIED OUT IMMEDIATELY.

After being merged into the factory no 3 of the Ministry of Chemical Industry, the Harbin City Taiping pesticide factory still owes an external debt of over 400,000 yuan. However, factory No 3 of the Ministry fo Chemical Industry refuses to pay the debt. So the court judgment on the case concerning the pesticide factory's debt has failed to be carried out immediately.

SOME "COMPANIES" HAVE SPECULATED IN THEIR BUSINESS, SOLD AT A PROFIT WHAT THEY HAVE BOUGHT, AND SQUANDERED, WASTED, EMBEZZLED, OR PRIVATELY DISTRIBUTED THE MONEY. WHEN THEY HAVE DISPUTES, IT IS DIFFICULT FOR THE COURT TO PASS JUDGMENT ON THEIR CASES.

The Ji Dongming Trading Co in central Shijiazhuang City, Hubei Province, has signed contracts with the storage and transport company under Nangong County's goods and materials bureau, and with 12 other units, thus grabbing more than 1.45 million yuan from those units. The company is a briefcase company which is unable to fulfill the contracts. The company has also diverted the money to other purposes. Thus, the 13 units brought a suit against the company. The court managed to recover 245,000 yuan from the company but failed to recover the remaining 1.2 million yuan because the company had been dissolved.

THAT THE INTERESTED PARTIES IGNORE THE LEGAL SYSTEM, DELAY OR REFUSE TO PAY THEIR DEBTS OR TRY TO AVOID THEIR CREDITORS HAS MADE IT DIFFICULT FOR THE COURT TO CARRY OUT ITS JUDGMENTS.

Taikang Trading Co of Huaihua City, Hunan Province, bought steel products from the Qunlian Integrated Trading Co in Wuhan City. When both sides signed the contract at the end of 1984, the Taikang Trading Co paid more than 80,000 yuan in advance to the Qunlian Integrated Trading Co. However, the Qunlian Integrated Co could not supply steel products to the Taikang Trading Co and did not return the money to the Taikang Trading Co. In March of last year, through the mediation of the court, the two sides reached an agreement according to which the Qunlian Integrated Trading Co would pay all the money it owed, including interest to the Taikang Trading Co on 25 April. But later on the Qunlian Integrated Trading Co tried to avoid its creditor, delay the payment, and even gave a bad check to cheat to the court, and openly refused to return the money to the Taikang Trading Co.

THE NONCOOPERATION AND ADMINISTRATIVE INTERFERENCE OF THE RELEVANT DEPARTMENTS HAVE PREVENTED COURT JUDGMENTS FROM BEING CARRIED OUT IMMEDIATELY.

The chemical plant of Hanchuan County, Hubei Province, signed a buying-selling contract with the Datung supply and marketing cooperative of Wucheng County, Shandong Province, in 1963 [date as published]. According to the contract, the Datung supply and marketing cooperative paid 35,000 yuan as a deposit in order to buy 500 tons of chemical fertilizer. After the chemical plant delivered the chemical fertilizer to the supply and marketing cooperative, the supply and marketing cooperative refused to pay the rest of the money because of the poor quality of the chemical fertilizer. So the two sides had a dispute. Through the mediation of the people's court of Wucheng County, the two sides agreed to return the goods and money to each other. But later on, the chemical plant failed to fulfill the agreement. Then, the people's court of Wucheng County, through the people's court of Hanchuan County, issued a notice to the Industrial and Commercial Bank of Hanchuan County, urging the bank to help carry out the court judgment, but the bank ignored the notice. Later, the chemical plant transferred its bank account to the Chengguan office of the Bank of Hanchuan County. With the support of the responsible person of the town government, the director of the Chengguan office of the Bank of Hanchuan county refused to help the court carry out the judgment. The Higher People's Court of Hubei Province intervened, but failed to get the bank to help carry out the court judgment.

PAPER EXAMINES 'FRIENDSHIP DEALS' WITH PRC

HK200957 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English 20 Feb 86 p 2

[Editorial: "Friendship Offers Few Favors"]

[Text] The phrase "friendship deal" reared its head again this week to describe a $250 million fixed-rate certificate of deposit issued by the Bank of Communications. The three-year issue carried a coupon of 8.15 percent, 10 basis points below a comparable and contemporary issue by Australia and New Zealand Bank.

The facts the less attractive pricing of the Bank of Communications still managed to find the underwriting support of 25 banks and secure a 1.26 times over-subscription, and that the Bank of Communications is one of the "sisters" in the Bank of China group, spurred the "friendship" speculation.

The talks took the line that some banks were in the deal not for hardnosed commercial reasons, but to curry favour with the Bank of China group, the importance of which is expected to grow as 1997 approaches. Certain participating banks, in fact, conceded as much. And they also claimed that a similar thing happened when China international Trust and Investment Corp (CITIC) undertook its first $300 million fixed-rate issue here.

It was suggested then that CITIC's pricing was out of line with market trends, and the "friendship" factor helped it succeed. Talk also indentifies CITIC as having attempted to pluck the "friendship" cord on selected local businessmen's heartstrings in its effort to come up with a takeover package for Ka Wah Bank, a burden CITIC apparently does not wish to carry alone. To what degree it has succeeded remains to be seen.

The "friendship" card, of course, has not started to appear in the deck just in the past year or so. Well before came the famous bargain-basement price given by the government to the Bank of China for the prime site for its new building, and a planned project in the New Territories where the treatment for Chinese interests looked unusually favourable.

And China does not reserve the "friendship" approach for Hong Kong alone. More than a few deals have been done related to investments and projects within China itself where foreign firms have agreed to terms they would be reluctant to accept elsewhere in the world, all on the premise that somehow, sometime, somewhere down the road treating China like a charity case today will pay off in big earnings tomorrow.

Agreements are common where repatriating profits is nearly impossible, where valuable technology and capital investment will ultimately all be turned over to Chinese ownership, and where control and returns for China heavily outweigh the actual contribution of the Chinese groups participating. It is true that at least in Hong Kong's case it might be argued there have been some tangible rewards already for the local versions of such "friendship" deals, with China performing some financial favours that may go above and beyond normal commercial practices. China-related interests propped up the Conic electronics empire just in time to prevent its collapse, many play a helpful role in keeping the Tung group afloat, and have been involved in support operations for several banks aside from the current Ka Wah package.

But regardless of who is the giver and who is the receiver of "friendship" terms and deals, it needs to be asked how often anyone really benefits in the long run from such efforts, if one accepts the ultimate economic wisdom is that of the free market. Is China going to learn the hard lessons of capitalism necessary for its modernization programme to succeed if it is treated like a favourite child entitled to special care and feeding? Will many of the foreign businesses investing in China find the transition point where "friendship"-style accommodation to Chinese demands turns into solid financial rewards is always placed just a bit further off, one more dubious project away?

Do China's and Hong Kong's authorities help or hurt the territory by frequently seeking to set up life-support systems for businesses and financial institutions that have been unable to stand the test of the market, and by its rules deserve to die? And does rhetoric about confidence, and a mutual commitment to rugged free enterprise continuing for the next decade and 50 years beyong, square with what increasingly looks like a knee-jerk instinct towards government-orchestrated paternalism in individual cases?

LICENSING CONTROLS OVER 45 IMPORTS IMPLEMENTED

HK210321 Hong Kong WEN WEI PO in Chinese 20 Feb 86 p 3

[Dispatch from correspondent: "China Implements Licensing Controls over 45 Imported Commodities"]

[Text] Beijing, 19 Feb -- In order to continue to perfect the import control system, at present, the Ministry of Foreign Economic Relations and Trade has already implemented licensing controls over 45 imported commodities.

The ministry will continue to check the prices of major imported commodities for which import licenses are issued. From the latter half of 1984 to the end of 1985, it saved more than $5.7 million for the state through checking prices.

As some areas and departments earn profits by importing commodities to raise funds for their production and construction, in various areas, taxi companies and high-grade hotels with joint Chinese and foreign captial have been established one after another and a number of cars and household electric appliances have been imported. In developing our trade with the Soviet Union and Eastern Europe, we have also imported some household electric appliances and automobiles.

In order to put an end to duplicated and blind import and in order to protect the development of production at home, the Ministry of Foreign Economic Relations and Trade has decided to strengthen its control over imports. One by one it has imposed import licensing controls over seven kinds of production lines (of television sets, radio-cassette recorders, refrigerators, washing machines, air conditioners, motorcycles, and minicars), as well as air conditioner, mobile cranes, electron microscopes, electronic analyzers, open-end spinning machines, roentgenoscopes, and other commodities. Moreover, since 1 January this year, it has imposed import licensing control over steel and pesticides. At present, the number of commodities over which there is import licensing control has risen from 30 to 45.

The ministry will continue to check the prices of major import commodities for which import licenses are necessary. It will check the prices of almost all imported automobiles and television sets and establish a coordination group to check the prices of imported computers. It will also selectively check the prices of other commodities.

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ADMISSION TO ASIAN DEVELOPMENT BANK APPROVED

OW221046 Beijing XINHUA in English 1031 GMT 22 Feb 86

[Text] Beijing, February 22 (XINHUA) -- The Asian Development Bank (ABD) decided on February 17 to admit the People's Republic of China to the organization, according to the People's Bank of China today (PBC).

PBC said that the ABD Board of Directors accepted in early January an application from PBC Governor Chen Muhua with a draft solution which was adopted by the ABD Board of Governors who voted by correspondence to give a green light. Under the ABD procedure, the People's Bank of China is undergoing the necessary formalities including purchase of the capital stocks before it becomes a full member of the Manila-based Asian financial body.

BIDS FOR WORLD BANK-FINANCED PROJECTS OPENED

OW211148 Beijing XINHUA in English 1056 GMT 21 Feb 86

[Text] Beijing, February 21 (XINHUA) -- Bids for the supply of construction materials and equipment for a liquefied gas plant, water conservation project and railway development financed by World Bank loans were opened in public recently. This was announced by the international tendering company of the China National Technical Import Corporation here today.

Twenty bids were received for electrification of the Zhengzhou-Wuhan section of the Beijing-Guangzhou railway line from firms in Australia, Austria, Belgium, the Federal Republic of Germany, France, Japan, Yugoslavia and Hong Kong. They were opened at the import building here today. The project is being financed by a World Bank loan of over 200 million U.S. dollars to purchase materials including rolled steel, sleepers and cement, as well as engineering and electrical equipment. Bids for the liquefied gas plant at Zhongyuan oilfield in Henan Province were opened Wednesday. They were from eight companies in the Federal Republic of Germany, Italy, Japan and the United States. The plant, a turn-key project, will mainly produce chemical raw materials.

Bids on the water conservancy project in Anhui Province were opened Thursday. They were received from 15 firms in Austria, China, Japan, Singapore, the United States and the Hong Kong region. This project is being financed by a World Bank loan and credits totalling 92 million U.S. dollars for purchasing cement, timber, rolled steel and other materials. An official of the tendering company said evaluation of the bids will start soon and contracts are expected to be awarded before the end of August.

WARSAW PACT MAKES NEW DISARMAMENT PROPOSAL

OW211140 Beijing XINHUA in English 1045 GMT 21 Feb 86

[Text] Vienna, February 21 (XINHUA) -- The Warsaw Pact Thursday surprised NATO delegates here by proposing a new draft treaty on disarmament in central Europe and asked the West to give it reasonable and serious consideration. The draft was made public at a press conference here Thursday by Andre Wieland, chief of the delegation of Poland to the current 38th round of central European troops reduction talks on behalf of the Warsaw Pact countries.

The draft is about the agreement on the initial reduction by the Soviet Union and the United States of ground forces and armaments and on the subsequent no-increase of forces and armaments of the sides and associated measures in central Europe. The proposal is believed to be a development and concretization of the proposal for a first partial agreement in Vienna agreed upon by both sides on February 14 last year and the proposal put forward by Soviet leader Mikhail Gorbachev on January 15 this year.

The Warsaw Pact draft includes:

-- A first withdrawal of 11,500 Soviet and 6,500 American troops and military equipment from the central European theater and exchange of information about the troop reduction;

-- All the 11 participants of the talks should not increase their ground and air forces and military equipment in the reduction area after Washington and Moscow reduce their troops;

-- Both sides accepted verification of the withdrawals by permanent monitoring posts and the principle of on-site inspections of military facilities;

-- A consultative commission shall be established and other forms of consultations be used to discuss operative questions involving the implementation of the agreement.

In response, Jan Hein van de Mortel, chief delegate from the Netherlands, said on behalf of the NATO countries that the draft was unrealistic and inadequate and would not lead to a change in the stand of the West toward the Warsaw Pact proposals of December 5 last year. However, the Dutch delegate said that he hoped this was not the last proposal of the Eastern bloc.

According to Friday's FINANCIAL TIMES published in London, NATO officials expressed surprise and disappointment at the initiative, which came only weeks after NATO tabled its own proposals on December 5. "The Western alliance has not had time to explain and clarify those proposals and that the Warsaw Pact draft appears to offer little that is new and much that falls short of Western demands on verification procedures to ensure compliance with an agreement," said the FINANCIAL TIMES. The paper quoted a Soviet official as saying here Thursday that NATO's response was "an effort to downgrade the importance and the substance of what is being suggested."

UK, U.S. TO COOPERATE ON HARRIER-TYPE AIRCRAFT

OW220534 Beijing XINHUA in English 0246 GMT 22 Feb 86

[Text] London, February 21 (XINHUA) -- Britain and the United States will jointly research a future generation of "advanced short take-off and vertical landing" (Astovl) military aircraft, the FINANCIAL TIMES reported today. A memorandum of understanding to this effect was recently signed between the two countries.

The accord is aimed at developing the technology for a future supersonic military aircraft able to combine all the benefits of advanced fighters (such as the forthcoming EFA -- European Fighter Aircraft) with the short take-off and vertical landing capabilities of the Harrier. However, at present there is no plan to develop a specific supersonic Astovl fighter. Several years of research will be needed to prove the feasibility of the new design.

The prospective aircraft, the paper said, is expected by the mid-to-late-1990s to replace the existing British-designed Harrier jump-jet aircraft. The governments of the two countries will finance the research program which has hitherto been funded by private companies.

AMBASSADOR HAN XU GIVEN ACHIEVEMENT AWARD

OW211130 Beijing XINHUA in English 1108 GMT 21 Feb 86

[Text] Washington, February 20 (XINHUA) -- Chinese Ambassador to the United States Han Xu was presented the U.S.-Asia Institute 1986 achievement award at the institute's closing session here this afternoon. Ambassadors from some other Asian countries were similarily honoured at today's session. It is the first time that the achievement award was given to ambassadors.

During the two-day session which began yesterday, representatives from the United States and Asian countries focused their discussion on trade, technology and security. Chinese representative Wu Junyang, adviser to the Research Center for Economic, Technical and Social Development of the State Council, briefed the representatives on China's Seventh 5-Year Plan (1986-1990). He described China's open policy and economic reform.

Dr. S.C. Pu, adviser to the Chinese Academy of Social Sciences, put forth some thoughts on trade between the U.S. and the Asian developing countries. He said U.S.-Japan trade is extremely important, but U.S. trade with the Asian developing countries is equally important. He urged the United States not to adopt protectionism. "As protectionism acts as a constraint on the potential growth of the Asian countries, U.S. exports to these countries will eventually suffer. These feedback effects are the natural consequence of interdependence," he said. He warned that while the economic gains to the United States brought about by protectionism are extremely doubtful, the political price paid in terms of its relations with the Asian countries is certainly going to be high.

The achievement award is given to distinguished people who have contributed to the understanding and strengthening of friendly ties between the United States and Asia. It has been presented every year since the U.S.-Asia Institute was founded in 1979.

HOUSE COMMITTEE URGES HALT TO PHILIPPINES AID

OW211154 Beijing XINHUA in English 0845 GMT 21 Feb 86

[Text] Washington, February 20 (XINHUA) -- A U.S. House foreign affairs subcommittee today approved unanimously legislation calling for a halt to direct U.S. military and economic aid to the Philippine Government headed by President Ferdinand Marcos. The legislation, passed by the House Subcommittee on Asian and Pacific Affairs, requires that future humanitarian, economic and development assistance funds for the Philippines be distributed through the Roman Catholic Church and other private groups. Military assistance for the Pacific country would be placed in an escrow until the establishment of "a legitimate government... which commands the support of the people of the Philippines," the bill says.

The bill was passed by 9-0 vote over the objections of the Congress Republican leadership and the Reagan administration who wanted the subcommittee to wait until special envoy Philip Habib returns from Manila to report on his investigation. Before the voting, Senate Republican leader Robert Dole warned Congress against rushing to cut off aid to the Philippines as a means of forcing President Marcos out of office. White House Deputy Press Secretary Edward Djerejian told reporters that the administration position is not to take immediate action on the question of U.S. aid to the Philippines because "this aid goes to the very well-being and security of the Filipino people themselves."

After the subcommittee vote, representative Stephen Solarz told reporters that it is important to act quickly to send a signal to the Philippines that (?"we) will not countenance a stolen election." The bill (?will) be taken up by the full House Foreign Affairs Committee after Habib returns.

U.S. EXPRESSES CONCERN ABOUT PHILIPPINE SITUATION

OW230300 Beijing XINHUA in English 0213 GMT 23 Feb 86

["U.S. Administration Endorses Charges of Election Fraud Against Philippine President" -- XINHUA headline]

[Text] Washington, February 22 (XINHUA) -- The U.S. Government today expressed its support for the statements by two top Philippine military officials that blamed President Ferdinand Marcos for fraud in February election and called on Marcos to resign.

In a written statement approved by President Ronald Reagan, the White House said that Philippine Defense Minister Juan Ponce Enrile and Deputy Armed Forces Chief Fidel Ramos called on Marcos to step down "because his government no longer has a popular mandate." "These statements strongly reinforce our concerns that the recent presidential elections were marred by fraud, perpetrated overwhelmingly by the ruling party, so extreme as to undermine the credibility and the legitimacy of the election and impair the capacity of the Government of the Philippines to cope with a growing insurgency and troubled economy," the White House noted. "Many authoritative voices in the Philippines have been raised in support of non-violence," the White House statement said. "We support these voices and expect them to be respected. We also support the resolution of issues involved by all the people of the Philippines as quickly as possible."

White House Deputy Press Secretary Edward Djerejian told reporters that Reagan, who is spending the weekend at Camp David, approved the statement after a conference call with his National Security Advisor John Poindexter, Secretary of State George Shultz, Defense Secretary Caspar Weinberger and White House Chief of Staff Donald Regan.

Marcos Warned Against Force

OW240306 Beijing XINHUA in English 0250 GMT 24 Feb 86

[Text] Washington, February 23 (XINHUA) -- U.S. President Ronald Reagan today warned Philippine President Ferdinand Marcos not to attack the rebelling forces of two top military officials, saying such a move would lead to a halt to U.S. military aid for the Philippines. Philippine Defense Minister Juan Ponce Enrile and acting Armed Forces chief of staff broke with President Marcos Saturday and demanded Marcos resign and give up power to opposition leader Corazon Aquino.

White House Spokesman Larry Speakes said President Reagan warned that the United States "cannot continue our existing military assistance if the government uses that aid against other elements of the Philippine military that enjoy popular backing." "An attempt to resolve this situation by force will surely result in bloodshed and casualties, further polarize Philippine society and cause untold damage to the relationship between our governments," the spokesman added.

Speakes told reporters that Reagan was concerned about Marcos using forces against Philippine citizens and he decided that if Marcos did not call back his military forces, U.S. military aid would be cut off "immediately." Speakes made the announcement to the press after Reagan met with Vice President George Bush, Defense Secretary Casper Weinberger, CIA Director William Casey, White House Chief of Staff Donald Regan, National Security Adviser John Poindexter and Special Envoy Philip Habib, who just returned from the Philippines.

REAGAN RESPONDS TO GORBACHEV ARMS PROPOSAL

OW231913 Beijing XINHUA in English 1832 GMT 23 Feb 86

[Text] Washington, February 23 (XINHUA) -- U.S. President Ronald Reagan sent a letter Saturday to Soviet leader Mikhail Gorbachev, proposing the elimination of U.S. and Soviet medium-range missiles in Europe and Asia over the next three years, administration officials said. The letter has not been made available by the White House now. This is the formal response from the United States to the arms control proposal made by Gorbachev on January 15 which called for the elimination of all nuclear weapons by the year 2000.

Reagan in his letter has reportedly rejected the Soviet proposal to freeze British and French medium-range nuclear forces at the existing levels. U.S. officials said Reagan in his letter called Gorbachev's proposal "a good idea", but added that "the fact is, let's get down to brass tacks -- to move from here to there let's start with I.N.F. (intermediate-range nuclear forces)." I.N.F. seemed to be Reagan's focus in his letter. He proposed the elimination of all intermediate-range nuclear forces, or those weapons with a range of about 3,400 miles, in three years' time.

U.S. officials disclosed that Reagan might have offered several options to the Soviet Union to eliminate the intermediate-range forces, which include Soviet SS-20 missiles and U.S. Pershing 2 ballistic missiles and ground-launched cruise missiles. A key option might be to eliminate all U.S. and Soviet medium-range missiles from Europe, limit the Soviet Asian deployment of SS-20 medium-range missiles to Soviet Central Europe [as received] and allow the U.S. to keep an equal number of missiles in the U.S. Under this proposal, medium-range missiles would be reduced to 140 in Europe after one year, with proportional reductions in Asia. The weapons would then be halved in Europe after that, and then drop to zero. The other option would be "straight reductions down" on medium-range forces to zero in three years "on a global basis."

According to U.S. officials, Reagan has sent a "very comprehensive letter" to Gorbachev which included a recommitment by the U.S. to abolish chemical weapons. He also told the Soviet leader that the U.S. is awaiting a detailed response to a U.S. proposal at the strategic arms reduction talks in Geneva last November. Reagan reportedly said in his letter that the U.S. is eager to fulfill its obligation to reduce by 50 percent all Soviet and U.S. strategic forces that can strike the other country. The North Atlantic Treaty Organization says the Soviet Union has 441 SS-20 missiles, including 130 in Europe and 171 in Asia. U.S. totals include 108 Pershing 2 missiles and cruise missiles expected to reach 464. Not all of the cruise missiles have been deployed.

The United States has been on the defensive on arms control since Soviet leader Gorbachev offered his proposal on January 15. The U.S. was first surprised by the proposal, then it studied carefully and called the proposal "positive" and began to consult with its allies for a response. The U.S. proposal contained in Reagan's letter seemed to have considered the concerns of European countries and Japan. Gorbachev's proposal did not cover missiles that are based in the Asian part of the Soviet Union. But Reagan's proposal sought either the elimination or the sharp reduction of these missiles. It seems that Reagan in his letter did not touch the U.S. "star wars" program which the U.S. pledged it will not abandon. The Soviet Union did not raise the issue as a precondition for arms control this time.

SOVIET ENVOYS GIVE ARMY DAY RECEPTION 21 FEB

OW211242 Beijing XINHUA in English 1237 GMT 21 Feb 86

[Text] Beijing, February 21 (XINHUA) -- Soviet Ambassador to China I.S. Shcherbakov and Military, Naval and Air Attache of the Soviet Embassy Rear Admiral V.P. Kasatkin, gave a reception here this afternoon to mark the 68th anniversary of the founding of the Soviet Army. Among the guests were Xu Xin, deputy chief of the General Staff of the People's Liberation Army, and diplomatic envoys and military attaches of various countries here.

Wreaths Placed at Soviet Tombs

OW231625 Beijing XINHUA in English 1551 GMT 23 Feb 86

[Text] Beijing, February 23 (XINHUA) -- Soldiers of the Soviet Red Army who laid down their lives in China were honored in various parts of China today on the occasion of the 68th anniversary of the founding of the Soviet Red Army. Wreaths were placed at their tombs or monuments to their memory by concerned local governments and branches of the Sino-Soviet Friendship Association. The wreaths bore the inscription: "Eternal glory to the fallen heroes of the Soviet Red Army who gave their lives in the war against fascism!" These tombs and monuments are located in various cities and counties in Heilbingjiang, Liaoning, Jilin, Hebei, Hubei, Sichuan and Jiangsu Provinces and the Inner Mongolia Autonomous Region.

SPOKESMAN ON WARSAW PACT MBFR PROPOSALS

OW202045 Beijing XINHUA in English 2004 GMT 20 Feb 86

[Text] Moscow, February 20 (XINHUA) -- A Soviet Government spokesman said today that proposals by socialist countries at the Vienna disarmament conference have narrowed East-West disarmament differences and make it possible for the two sides to reach major arms control agreements.

Speaking at a press conference in Moscow, Foreign Ministry Press Department Chief Vladimir Lomeyko said the proposals, which were tabled today at the conference, include cuts of 11,500 troops by the Soviet Union and 6,500 by the United States, establishment of three or four permanent posts to supervise the cuts, exchange of data on each side's Armed Forces and the setting up of a permanent consultative committee. Lomeyko said Warsaw Pact countries have now agree to the Western countries proposal on verification of arms reduction. He said the Eastern block proposals, particularly on verification, have brought the disarmament positions of both East and West much closer.

TV COMMENTATOR REMARKS ON U.S. ARMS PROPOSAL

OW240254 Beijing XINHUA in English 0237 GMT 24 Feb 86

[Text] Moscow, February 23 (XINHUA) -- A Soviet TV commentator said today U.S. President Ronald Reagan's reported response to the latest Soviet disarmament proposals contained "practically nothing constructive." Soviet television political news analyst Boris Kalyagin, appearing on the program "International Panorama," stressed that it "attests to a lack of seriousness on the part of the Washington admininstration" if "the White House is going to give a response on the eve or even on the day of the opening of the 27th CPSU Congress so that the Soviet side will not have time to react to the American position in the political report to the congress."

This is the first Soviet comment on Washington's counter-proposals put forward by Reagan on February 4 for discussion with U.S.allies.

Kalyagin said that the United States, while in principle agreeing to a 50 percent nuclear weapons cut, did not want to give up the Strategic Defense Initiative "which undermines the very idea of a nuclear arms reduction." He said the proposals appeared to be little more than a return to Reagan's "zero option" for removing missiles from Europe. Kalyagin stressed that more than five weeks had passed without a U.S. official response since the Soviet proposals for the elimination of nuclear weapons by the year 2000.

Western news agencies today reported that Reagan, in a letter to Soviet leader Mikhail Gorbachev on Saturday, is calling for elimination of medium-range missiles in Europe as the first step toward an end to the nuclear arms race worldwide. Kalyagin's comment today made no mention of Reagan's letter.

SOVIET MARSHALS ATTACK SDI IN PRESS ARTICLES

OW230346 Beijing XINHUA in English 0251 GMT 23 Feb 86

[Text] Moscow, February 22 (XINHUA) -- The Soviet Union will respond to U.S. efforts to develop its Strategic Defense Initiative, Soviet Marshal Viktor Kulikov stated today. In an article published today in the government newspaper IZVESTIYA on the eve of the 68th anniversary of the Soviet Army and Navy First Deputy Defence Minister Kulikov said the job of the Soviet Armed Forces is "to give a quick and crushing blow to aggressors" in any type of attack on the Soviet Union.

Kulikov, who is also commander in chief of the Joint Armed Forces of the Warsaw Treaty countries, accused the United States of "seeking military superiority over the Soviet Union by developing a space-based and comprehensive anti-missile defense system." He declared that the Soviet Union will do its best to find a way to answer the Strategic Defense Initiative if the United States goes ahead with the program. Soviet defense minister Marshal Sergey Sokolov also published an article today in the Soviet Communist Party newspaper PRAVDA, stressing that "the Soviet Armed Forces are a reliable stronghold of freedom and independence of their socialist homeland."

TASS CRITICIZES FRENCH INTERFERENCE IN CHAD

OW230801 Beijing XINHUA in English 0631 GMT 23 Feb 86

[Text] Moscow, February 22 (XINHUA) -- The Soviet official news agency TASS today accused France of armed interference in Chad, saying that the move conformed to interests of the United States.

A TASS commentary said France, by sending troops to Chad, is attempting "to play the role of a gendarme who defends the interests of imperialism" in central Africa. The commentary charged that France has aggravated the tense situation in Chad, to the south of Libya, while the United States continued its military provocation at sea north of Libya. Frances's claim that it is trying to prevent Libya from occupying Chad by sending troops to the central African country is "an argument for revival of neocolonialism, TASS said.

France flew 500 soldiers and six jet fighters to Chad last Tuesday to help the government Army against an offensive by rebels, who are allegedly backed by Libya.

Chad was a French colony before it achieved independence in August, 1960.

DPRK URGES IMMEDIATE STOP TO 'TEAM SPIRIT-86'

OW211236 Beijing XINHUA in English 1228 GMT 21 Feb 86

[Text] Pyongyang, February 21 (XINHUA) - The Democratic People's Republic of Korea (DPRK) called on the United States and South Korea to stop immediately the ongoing "Team Spirit-86" military exercise to ease the mounting tension on the Korean peninsula. According to the local press, Kang Hui-won, a high-ranking Korean party and government official, said in a public speech that the U.S.-South Korean joint military exercise has aggravated the tension on the Korean peninsula and has suspended the dialogue between the two sides.

Speaking to a mass rally yesterday, Kang called on the Korean people and Army to respond to the recent order of the supreme commander of the Korean People's Army. The order of February 10 put the DPRK military forces on the alert in face of U.S.-South Korean war provocations. Kang also denounced the South Korean authorities for suppressing students and democrats. He appealed to the international community to pay close attention to the situation in Korea and to support the Korean people in their just struggle for the country's peaceful reunification and their efforts to turn the Koran peninsula into a zone free of nuclear weapons.

DPRK DENIES HINDERING SEOUL OLYMPIC GAMES

OW210930 Beijing XINHUA in English 0854 GMT 21 Feb 86

[Text] Pyongyang, February 21 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today dismissed the South Korean charge that the North has taken steps "to hinder the Olympic Games" as a "mere fabrication." MINJU CHOSON, an official daily newspaper, noted in a commentary that the South Korean charge came at the same time as the "10 million-strong signature movement" for constitutional amendment launched by South Korean opposition parties, organizations and students. South Korean "President" Chon Tu-hwan said on February 19 that South Korea should strengthen its "defense system" to cope with the northern threat to the Olympics.

Seoul is attempting to slander the international reputation and influence of the DPRK and ease domestic unrest by accusing the Northern side of jeopardizing the 1988 Olympic Games, the paper said. Pyongyang and Seoul have been discussing since last October in Lausanne, Switzerland, the possibility of co-sponsoring the 1988 Olympiad under the auspices of the International Olympic Committee (IOC), and the two rounds of talks held so far have resulted in some progress. Their next round of talks is scheduled for June.

S. KOREAN AUTHORITIES CRACK DOWN ON OPPOSITION

OW211922 Beijing XINHUA in English 1858 GMT 21 Feb 86

["Round-up: Signature Campaign Oppressed in Seoul -- (by Gao Haorong)" -- XINHUA headline]

[Text] Pyongyang, February 21 (XINHUA) -- The antagonism between the South Korean authorities and the opposition parties and young students heightened in Seoul as authorities intensified their crack down on an opposition "signature campaign" calling for revisions of the existing Constitution. The campaign, which started on February 12 in Seoul, was initiated by the New Korea Democratic Party (NKDP), the Council for Promotion of Democracy and other opposition parties to collect ten million signatures to press for changes in the present Constitution. However, the campaign met with strong persecution by the Seoul regime.

Two days after the campaign started, South Korean Minister of Justice Kim Song-ki accused the campaign of being camouflaged violence against the rule of law and parliamentary democracy and declared that those who participate in it would be severely punished. The prosecutor general's office instructed its local offices on February 11 to punish even ordinary citizens who signed on to the campaign. The Minister of Education Son Chae-suk also denounced the campaign and warned of strict disciplinary actions against students who signed it or joined the protest rallies and demonstrations. Between February 12 to February 20, opposition leader Kim Tae-chung was put under house arrest and threatened with imprisonment if he continued his anti-government activities. Another opposition leader, Kim Yong-sam, was placed under house-arrest three times during the same period and the headquarters of the NKDP were raided twice and documents and publicity materials confiscated. Even now, the headquarters are under heavy guard by more than 300 policemen and people are prohibited from entering it.

Meanwhile, on February 15 scores of anti-government protesters clashed with plainclothes policemen. On Thursday more than 200 NKDP party members, including the party's president Yi Min-u, were put under house arrest, preventing them from attending the plenary session of the party's Central Committee. In another development, police arrested and detained about 120 people who signed or got involved in the campaign. During the night of February 14, 15,000 policemen raided 129 universities and colleges, taking away bundles of printed materials and flags and arresting about 200 young students.

However the violent oppression has backfired and met with even stronger resistance from the opposition parties and young students. The NKDP has stressed that the signature campaign is a peaceful movement and that it reflects people's demand for democracy. After the first raid on its headquarters, the party declared it would continue the struggle, however cruel the oppression and even if all its 600,000 party members were all thrown into prison. While under house arrest, NKDP president Li Min-u strongly criticised the authorities' crackdown and demanded the Seoul regime give up its idea of delaying the discussion on Constitution revision until 1989. Kim Yong-sam has said frequently even before the campaign was launched that he is ready to be put behind bars. He has pledged to pursue the campaign to the end even if he were threatened with imprisonment or death.

JAPAN'S NAKASONE PLANNING TO VISIT U.S. IN MARCH

OW181849 Beijing XINHUA in English 1830 GMT 18 Feb 86

[Text] Tokyo, February 18 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone is planning to visit the United States on March 21 for talks with American President Ronald Reagan. Shin Kanemaru, secretary-general of the ruling Liberal Democratic Party, who disclosed the plan during a lecture here today, said that the two sides are discussing the visit itinerary through diplomatic channels.

Observers believe that Nakasone will discuss preparations for the May Tokyo summit of seven industrialized countries, Japan's participation in the U.S. proposed "star wars" program, reform of the international monetary system and bilateral trade frictions. Nakasone has said that Japan will decide about its participation in the star wars program only after studying whether it is nuclear in nature. He told a Diet committee today that "the most important point in considering Japan's participation (in the star wars program) is whether it is a nonnuclear system for defence purposes. On the monetary reform, Nakasone said Saturday that Japan now has particular interest in monetary reform following a sharp appreciation of the Japanese yen against the U.S. dollar.

FURTHER REPORTAGE ON SITUATION IN PHILIPPINES

Marcos: 'No Foreign Intervention'

OW230806 Beijing XINHUA in English 0756 GMT 23 Feb 86

[Text] Manila, February 23 (XINHUA) -- President Ferdinand Marcos today expressed the hope that there will be no foreign intervention in the internal affairs of this country. He made this remark at a press conference held at noon today in the presidential palace.

Marcos said that the split of Minister Juan Ponce Enrile and Lt. General Fidel V. Ramos from his government is an internal matter which could be settled by the Filipinos themselves. He said he did not believe that Enrile and Ramos were encouraged by any foreign country. He said he was sad about the coup d'etat. However, he had ordered that no hostilities should be started. He would exert all his efforts to avoid bloodshed. He denied the allegation by Ramos and Enrile that he had issued any impending order to arrest them. He also denied that the military are divided into different factions.

Aquino Welcomes Enrile, Ramos

OW231620 Beijing XINHUA in English 1553 GMT 23 Feb 86

[Text] Manila, February 23 (XINHUA) -- Opposition leaders today expressed their support for former Defense Minister Juan Enrile and General Fidel Ramos who split with President Marcos yesterday. Corazon Aquino, in a statement issued after her arrival in Manila from Cebu, asked Marcos to step down so that the Philippines can have a peaceful transition of power. She appealed to the Filipino people to support the non-violent protest she launched a week ago.

In a statement, Salvador Laurel, president of the biggest opposition party the United Nationalist Democratic Organization, welcomed the militarymen led by Enrile and Ramos who joined the people in their struggle to regain lost liberties. He reiterated his appeal to government officials, military and civilian alike, to cut once for all their ties with the leadership of Marcos, and "be one with the Filipino people whom they have sworn to serve."

State of Emergency Declared

OW240648 Beijing XINHUA in English 0634 GMT 24 Feb 86

[Text] Manila, February 24 (XINHUA) -- President Ferdinand Marcos this morning declared a state of emergency in the country. Speaking at a press conference, the president said he is in full control of the situation. He denied the rumors that he and his family had fled the country. He said he would go through the inauguration ceremonies tomorrow as scheduled.

Marcos said he had ordered all radio stations to stop broadcasting military operations and statements made by rebel former Defense Minister Juan Ponce Enrile and Vice Chief of Staff Fidel Ramos. Otherwise the stations might be taken over by the government. He said he had ordered not to use big arms such as tanks and artillery to attack the rebels.

But the television broadcast stopped abruptly. It is reported that the state television station has been taken over by rebel troops and government troops are expected to stage a counter attack.

'Rebels' Take Over Radio, TV

OW240738 Beijing XINHUA in English 0729 GMT 24 Feb 86

[Text] Manila, February 24 (XINHUA) -- Supporters of the rebels have taken over the government radio and television stations as well as the official PHILIPPINE NEWS AGENCY, according to television station channel four. Television channel four announced the take-over at 01:20 p.m. when it resumed broadcasting after a short interruption. The station is now owned by the "new government" of Corazon Aquino, the announcer said. The announcer warned the Marcos Government not to make attempts to retake the stations.

As of this writing, the PHILIPPINE NEWS AGENCY has not yet resumed transmission since its wires were interrupted this morning. But an official of the agency confirmed on telephone that it had also been occupied by supporters of former Defense Minister Juan Ponce Enrile and Deputy Chief of Staff Fidel Ramos, who have split with President Marcos.

A XINHUA correspondent reported from Camp Crame, the headquarters of the Philippine Constabulary, that the camp is still in the hands of the rebels. Government troops hadonly occupied the neighboring Camp Aguinaldo, the site of the Defense Ministry, which the rebels vacated yesterday of their own accord. But the situation there is tense. Military confrontations may break out at any time. Thousands of people have been gathering inside and outside to prevent the government troops from attacking the rebels.

'New Government' Announced

OW241340 Beijing XINHUA in English 1333 GMT 24 Feb 86

[Text] Manila, February 24 (XINHUA) -- An opposition leader announced through television this afternoon that a provisional government with Corazon Aquino as president and Salvador Laurel as vice president has been set up. Parliament member Ramon V. Mitra said Mrs Aquino herself will make the official announcement about the new government this evening.

Meanwhile, it was reported that in response to the situation, President Marcos urged all his loyalists to bring their guns to defend the presidential palace "to the last drop of their blood." "I'm calling on all our loyalist friends to come to Malacanang with their authorized guns in order that we too can show people's power," he told a TV interviewer by telephone.

SINGAPORE PRIME MINISTER RECEIVES GU MU 21 FEB

OW211913 Beijing XINHUA in English 1855 GMT 21 Feb 86

[Text] Hong Kong, February 21 (XINHUA) -- Singapore Prime Minister Lee Kuan Yew met with Chinese State Councilor Gu Mu and his party tonight at the presidential house. During the meeting, Gu Mu conveyed the compliments to Lee Kuan Yew from Chinese leaders Li Xiannian, Deng Xiaoping and Zhao Ziyang. Prime Minister Lee also asked Gu Mu to forward his compliments to the Chinese leaders after returning home. Singapore Senior Minister of Prime Minister's Office. S. Rajaratnam and Second Deputy Prime Minister Ong Teng Cheong as well as China's Commercial Representative in Singapore Rong Fengxiang were present on the occasion.

During their stay in Signapore, Gu Mu and his party exchanged views with their counterparts on Sino-Singapore economic and technical cooperation and other issues. They also visited the industrial area, the scientific center and the airport in Jurong. Gu Mu and his party arrived in Singapore on February 14 for a visit to the country.

Gu Mu Returns Home

OW221325 Beijing XINHUA in English 1248 GMT 22 Feb 86

[Text] Beijing, February 22 (XINHUA) -- Chinese State Councillor Gu Mu and his party returned here this afternoon after paying a working visit to Singapore.

VIETNAM'S HOANG VAN HOAN HONORED IN BEIJING

OW230722 Beijing XINHUA in English 0716 GMT 23 Feb 86

[Text] Beijing, Feburary 23 (XINHUA) -- Veteran Vietnamese revolutionary Hoang Van Hoan was honored at a luncheon given by Xi Zhongxun and Qiao Shi, members of the Political Bureau of the Chinese Communist Party Central Committee, here today. Xi said he was very glad to have a get-together with Hoang on the occasion of the Chinese traditional lantern festival and wished him good health.

Present on the occasion were Li Yimang, Standing Committee member of the CPC Central Advisory Commission, Qian Liren, director of PEOPLE'S DAILY, and Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

DK REFUTES SRV ALLEGATION ON 'CHINA'S INFLUENCE'

OW240746 Beijing XINHUA in English 0725 GMT 24 Feb 86

[Text] Beijing, February 24 (XINHUA) -- Kampuchea will be an independent, unified, neutral and non-aligned country after the withdrawal of Vietnamese troops, Radio Democratic Kampuchea said today. The radio quoted a statement issued by the Foreign Ministry of the Coalition Government of Democratic Kampuchea (CGDK) last Saturday to refute Hanoi's allegation that if Vietnam withdrew its troops from Kampuchea, the country would be under China's influence.

In this regard, the statement said, the coalition government will be glad to have international observers stay in Kampuchea for a couple of years or longer after the Vietnamese troops withdrawal to ensure that Kampuchea will not be accused of becoming a military base of a foreign country, that Vietnam will have no chance to invade Kampuchea again and that Kampuchea and the whole of Southeast Asia will enjoy peace and stability.

XINHUA HONG KONG DIRECTOR ON CITY'S DEVELOPMENT

OW171714 Beijing XINHUA in English 1636 GMT 17 Feb 86

[Text] Hong Kong, February 17 (XINHUA) -- Xu Jiatun, director of the Hong Kong branch of XINHUA NEWS AGENCY, today wished the Chinese compatriots here fresh achievements in the new year by further bringing out their latent potentialities and making endeavors in unity.

In his toast at a party to usher in the Chinese new Year of Tiger, Xu Jiatun said that during the past year -- the first one since the signing of the Sino-British Joint Declaration on the question of Hong Kong, relations between the Chinese and British Governments have become closer and progress has been witnessed in the work of Sino-British Joint Liaison Group, the Land Commission, the drafting committee of the basic law of the projected Hong Kong Special Administrative Region and the consultative committee for the basic law. Xu appreciated the great efforts made by the compatriots of various strata in Hong Kong in implementing the Sino-British Joint Declaration and maintaining stability and prosperity in Hong Kong, adding that the development in Hong Kong is encouraging. More than 700 noted personages from various circles in Hong Kong were present at the party.

REPORTAGE ON VISIT OF MAURITANIA'S TAYA

Li Xiannian Hosts Banquet

OW211510 Beijing XINHUA in English 1433 GMT 21 Feb 86

[Text] Beijing, February 21 (XINHUA) -- Chinese President Li Xiannian and the visiting Mauritanian head of state, Maayouia Ould Sid Ahmed Taya today agreed to advance Sino-Mauritanian cooperation to a new height. Li said that China attached great importance to the development of the friendly cooperation between the two countries and was confident that this cooperation would grow further thanks to the efforts by both sides. Taya replied that Mauritanian-Chinese cooperation had set an example for the Third World countries. Mauritania would spare no effort in safeguarding the achievements of this cooperation and would take every possible measure to develop and diversify it.

The two leaders were speaking at a banquet here this evening given by the Chinese president in honor of Taya, who is also chairman of the Military Committee of National Salvation of Mauritania, Mme Taya and their party in the Great Hall of the People.

Li Xiannian, who was the first to take the floor, stressed that the friendly relations of cooperation were based on mutual trust, mutual support and treating each other on an equal footing. Such relations, he noted, were developing smoothly. The Chinese president spoke highly of the efforts made by the Mauritanian people in safeguarding their state sovereignty and developing their national economy and culture. He also praised the Mauritanian Government for pursuing a policy of peace, neutrality and non-alignment in international affairs. The important task facing Third World countries after winning national independence, Li said, was to develop their economies and build up themselves so as to improve the living standards of the people and rid underdevelopment at an earlier date. He emphasized that China belonged to the Third World and was willing to further its friendly cooperation with other Third World countries.

Taya said that the international situation had become more and more worrysome, especially for the Third World countries. Although the developing countries strongly demanded a just and more rational new world economic order, he said, no big stride had been taken in this direction. The developing countries were baring the front of the consequences of the world economic crisis. Some of them were also hit by natural disasters, he added. He expressed the belief that the developing countries, with their great economic potentials and human resources, could benefit from strengthening all-round cooperation in developing their economies. "That is why we firmly support every initiative and effort that might promote South-South cooperation," he added.

Speaking of tensions in Africa, Mideast and Asia, Taya said that only by following the five principles of peaceful co-existence could international peace and security be ensured. He spoke highly of China's domestic and foreign policies and its economic achievements, and thanked China for its aid to his country.

Among those present at the banquet were Lin Jiamei, wife of the Chinese president; Zhu Xuefan, vice-chairman of the National People's Congress Standing Committee; and Wu Xueqian, state councillor and foreign minister. This morning, Mme Taya visited the China Children Center.

Hu Yaobang Meets Taya

OW221316 Beijing XINHUA in English 1242 GMT 22 Feb 86

[Text] Beijing, February 22 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang said here today that the Third World countries, as an important force for world peace and economic development, should contribute more to human progress. "Key to making such contributions lies in unity and mutual support of the Third World countries," he added.

Hu made these remarks at a meeting here this afternoon with Colonel Maayouia Ould Sid Ahmed Taya, chairman of the Military Committee of National Salvation and head of state of Mauritania. Hu also expressed the belief that Sino-Mauritanian friendship as well as the unity and cooperation among the Third World countries would continue for a long time to come. He noted that China and Mauritania, as friendly countries, cared for and supported each other. The two countries had fostered a profound friendship since they established diplomatic relations 21 years ago. "We support each other's cause and share basically identical views on many international issues," he said.

Responding, Ould Taya expressed satisfaction with the cooperation between the two countries in various fields. He said that he had a full exchange of views with Chinese leaders on issues of mutual concern during his stay here. Ould Taya also thanked China for its aid to Mauritania's economic construction and briefed Hu on his country's fight against drought and development of production.

Hu said that it was of great importance to boost production and improve the life of the people. Therefore, it was entirely correct for Mauritania to give first priority to improving the living conditions of its people. He wished for steady improvement of the Mauritanian economy. Chinese State Councillor and Foreign Minister Wu Xueqian, minister of Public Health Cui Yueli, and senior members of Ould Taya's entourage were present at the meeting.

Taya Hosts Return Banquet

OW221514 Beijing XINHUA in English 1455 GMT 22 Feb 86

[Text] Beijing, February 22 (XINHUA) -- Mauritanian head of state, Maayouia Ould Sid Ahmed Taya, said here today that his visit to China has marked a new stage in the continued development of friendship relations and cooperation between Mauritania and China, and their peoples. Taya also described the friendship and cooperation between the two countries and peoples as "a good example." Taya, also chairman of the Military Committee of National Salvation, was speaking at a return banquet given by him and his wife here this evening at the Great Hall of the People. Chinese President Li Xiannian, his wife, and other Chinese officials attended the banquet.

Taya said that during his stay in Beijing he had held frank, fruitful and amicable talks with Chinese leaders on international issues and bilateral economic and technical cooperation. The Mauritanian people attach great importance to friendship and cooperation with China, Taya said. He added that his country would work hard to promote unity between the peoples of Third World countries, including China, so as to contribute to safeguarding world peace and establishing a more just and reasonable new international economic order.

In his speech, Li described Taya's visit to China as a "success". The visit would also promote the friendship and cooperation between the two countries and their peoples, he noted.

Li added that President Taya, his wife, and other distinguished Mauritanian guests will leave Beijing for a visit to southern China tomorrow, and he was sure they would be warmly welcomed by the local governments and people wherever they went. Li Xiannian also accpeted an invitation from Taya to pay an official goodwill visit to Mauritania. Earlier today, the Mauritanian guests visited an armored division, the Great Wall, and the Palace Museum. They also laid a wreath at the monument to people's heroes in Tiananmen Square.

Leaves for Nanjing

OW230710 Beijing XINHUA in English 0652 GMT 23 Feb 86

[Text] Beijing, February 23 (XINHUA) -- Colonel Maayouia Ould Sid Ahmed Taya, head of state of Mauritania, Mme. Taya and their party left here for Nanjing by special plane this morning in the company of Minister of Public Health Cui Yueli. Before their departure President Li Xiannian and his wife Lin Jiamei bid farewell to Taya who is also chairman of the Military Committee of National Salvation and other Mauritanian guests at the State Guesthouse. Li said Taya's visit has played an important role in promoting Sino-Mauritanian friendship. Taya said that during the visit he had very good talks with Chinese leaders on issues of common interest and international issues. The two sides had reached identical views on all issues they had touched on, he added.

Earlier this morning two documents between the Chinese and Mauritanian Governments were signed. The two documents stipulate that the Chinese Government will present maize to the Mauritanian Government and provide it with loans. Li Xiannian and Taya attended the signing ceremony.

Met by Gu Xiuliang in Nanjing

OW231254 Beijing XINHUA in English 1243 GMT 23 Feb 86

[Text] Nanjing, February 23 (XINHUA) -- Colonel Maayouia Ould Sid Ahmed Taya, Mauritanian head of state, his wife and their party were entertained at a banquet given by the Jiangsu Provincial Government here this evening.

The Mauritanian visitors arrived here from Beijing earlier today. They were greeted at the airport by Gu Xiuliang, governor of Jiangsu, and Zhang Yaohua, mayor of Nanjing. After their arrival here, the visitors went on a cruise along the Yangtze River and were taken to the Nanjing Yangtze River bridge. They also paid a visit to a new residential area in the city. The residential area, situated on the shore of the Mochou Lake, has over 40,000 inhabitants.

SIERRA LEONEAN PRESIDENT ARRIVES 24 FEBRUARY

OW240756 Beijing XINHUA in English 0710 GMT 24 Feb 86

[Text] Beijing, February 24 (XINHUA) -- Sierra Leonean President Joseph Saidu Monoh arrives here today for an official visit, which, as analysts said, will further enhance the cooperation between the two countries. China and Sierra Leone established diplomatic relations in July 1971. Since then, political and economic cooperation between the two countries has developed steadily. Former Sierra Leonean President Siaka Stevens visited China three times during his office which ended last November, while Chinese senior officials also visited Sierra Leone. In recent years, political, economic, cultural and sport contacts between the two countries have increased. The Chinese Communist Party and the Sierra Leone's ruling party, the All People's Congress, have set up ties recently.

In economic sectors, China has provided loans totaling 100 million yuan (about 31.35 U.S. dollars) to develop Sierra Leonean economy. As well, 13 China-aid rice-planting technical stations are playing an important role in helping with Sierra Leone's agriculture. China has also helped to build a sugar refinery and is managing a sugar-cane farm. The farm and factory turned out more than 8,000 tons sugar last year, accounting for one-third of the sugar consumed, saving large amounts of foreign exchanges. 30,000-seat Siaka Stevens sport stadium, 26,000 square meters government building and some highway bridges have been built and some other projects are underway with the aid of China. All those assistance is highly praised by Sierra Leonean people.

Last year the two countries signed an economic and technical agreement, under which China will provide technology services and set up joint ventures. The two sides also agreed to explore the possibilities of further cooperation in agriculture, water conservation, fishery, forestry and sugar-refining with the help of Chinese specialist now working in the country.

EDUCATIONAL COOPERATION PROTOCOL SIGNED WITH YAR

OW230140 Beijing XINHUA in English 0121 GMT 23 Feb 86

[Text] Sanaa, February 22 (XINHUA) -- A protocol of education cooperation between China and Arab Yemen from 1986 to 1990 was signed here today. Under the protocol, China will provide teaching instruments and educational equipment worth 1,000,000 Chinese yuan (about 330,000 U.S. dollars) to the secondary technical schools and vocational educational centers in Arab Yemen. China will also send advisors at China's expense to help Arab Yemen in developing its secondary technical education.

The protocol also provided that China and Yemen will exchange students and scholarships. The protocal was signed by the visiting head of the Chinese education delegation and members of China's Educational Committee Huang Sinbai and Deputy Education Minister of Arab Yemen 'Abd Rabbuh Jaradah.

SAUDI ARABIA REJECTS SOVIET AIR TRANSIT REQUEST

OW211633 Beijing XINHUA in English 1521 GMT 21 Feb 86

[Text] Kuwait, February 21 (XINHUA) -- The Saudi Arab Civil Aviation Authority has turned down a request by the Soviet Union for transit permits of five Aeroflot airliners, according to today's AL-WATAN here. No reason for the rejection was given but the report quoted a spokesman of the Aeroflot as saying that the rejection "has been considered as an unfriendly gesture."

According to the Soviet spokesman, two of the five planes are still grounded at the Larnaca Airport, Cyprus, two others at the Bombay Airport, India, and the fifth plane is waiting at Moscow.

He said that the application for the permits was made by the end of January.

CENTRAL DOCUMENT ON 1986 RURAL WORK PLAN ISSUED

OW230600 Beijing XINHUA Domestic Service in Chinese 0735 GMT 22 Feb 86

["Plan of the CPC Central Committee and the State Council for Rural Work in 1986" -- 1 January 1986]

[Text] Beijing, 22 Feb (XINHUA) -- The New Situation and Tasks

1. Last year, following the adoption of the system of contracted responsibilities with remuneration linked to rural output, China aleo took a major step and achieved remarkable success in reforming the unified and fixed state purchase system for farm produce and in readjusting production structure. The most important indicator of this is the enlivening of the rural economy. Broad masses of peasants show an ever-increasing initiative in applying themselves to production to meet market demands. The lateral ties of the commodity economy have developed. Forestry, animal husbandry, fishery, and processing industry, and service trades, which have long been comparatively less developed, have been substantially upgraded. Our rural areas are advancing on the avenue of diversified operations and coordinated development. Last year, despite a drop in grain and cotton output due to relatively serious natural disasters and the planned shrinkage of grain and cotton acreage, output met market demand. The output of all other crops increased, and total rural ouput and peasant incomes still registered a relatively large increase. Sustained economic growth in rural areas has provided favorable conditions for reform and development of the national economy as a whole. Practice has proven that the principles and policies for rural reform are correct; they must continue to be implemented.

2. The agricultural growth rate of recent years was seldom seen in the past. This is primarily attributable to the fact that all potential forces for originally increasing production have burst onto the scene simultaneously as a result of reform. In the days to come, sustained and steady development of agriculture will hinge on stability and the continuous improvement of our policies, the continuous augmentation of the peasants' initiative, and the continuous improvement of the conditions for agricultural production. We should realize that the present material and technological foundation of agriculture is still fragile; peasant interest in growing grain crops seems to have decreased in some areas; while the old economic system is being replaced by the new in the rural areas, the process is marked by many anomalies; and the regulation of interests between various quarters has become even more complex after urban and rural reforms hve converged. There are many difficult problems confronting us. However, as long as we persist in carrying out the reform that has already started, earnestly implement various party policies, and mobilize all positive factors, we can resolve all the difficult problems no matter how many there are.

The general requirements for rural work in 1986 are: implementing policies, carrying out thorough reforms, improving conditions for agricultural production, organizing preproduction and postproduction services, and promoting a sustained, steady, and coordinated development of the rural economy.

Continue To Place Agriculture in Its Proper Position in the National Economy

3. Development of the national economy with agriculture as the foundation reflects not only economic law but also natural law and must be firmly regarded as a long-range strategic principle. Ours is a big country with a population of 1 billion, of whom 800 million are peasants. In no way should we relax our efforts at agriculture because a better situation has appeared in agriculture.

Nor should we ignore investment in agriculture because capital construction for agriculture requires a long period, and because it takes a long time to receive benefits from such construction. Still less should we deny the importance of agriculture as the foundation because of a gradual decline of the percentage of agriculture in the gross output value of the national economy. In the industrialization process, we, as a developing country, must make every effort to avoid stagnation in the development of agriculture.

Following the 3d Plenary Session of the 11th CPC Central Committee, our party has persistently upheld the principle of taking agriculture as the foundation and has achieved substantial successes. As the situation continues to develop and change, more effective measures must be adopted so that this principle can be continuously upheld. To maintain a balanced development of industry and agriculture, the state will, beginning with the Seventh 5-Year Plan, appropriately increase investment in agriculture capital construction and agricultural operating expenses and set aside some of the additional receipts from increased income tax and industrial and commercial taxes on village and town enterprises for use in supporting agriculture. The bonus tax collected from village and town enterprises will be put at the disposal of the related township financial department (or manged by the county financial department on behalf of the township if the latter has no financial department) and used for agriculture; it should not be used for any other purpose.

In order to encourage enthusiasm among the peasants for growing grain, the state will constantly improve the method of contractual grain purchase, stabilize the prices of means of production for agriculture, and reduce or remit taxes on small chemical fertilizer plants that have difficulties for the purpose of lowering the prices of chemical fertilizers. In order to enhance the peasants' ability to accumulate funds, it is necessary to keep the peasants' tax burden within reasonable limits and strictly prohibit arbitrary apportionment and unjustified fees. It is necessary to support the peasants in developing a diversified economy, open more avenues for production, and "supplement agriculture with industry." Loans for village and town enterprises should be extended in consideration of trades and purposes. They may be on more liberal terms if they are extended to trades which are encouraged, or to backward regions, for use as circulating funds or for technological transformation. The departments concerned, particularly the departments in charge of overall balancing, should formulate implementation plans based on the aforesaid principles. They should submit the plans to the State Council for approval before they are carried out.

All provinces, autonomous regions, municipalities, and counties should ensure proper use of agricultural funds appropriated by the central authorities and should not divert them to other than their specific purposes. Local governments should do their best to make more agricultural investment with their own financial resources to stop a decreasing trend in agricultural investment. Investment in water conservation projects should be restored as soon as possible to the guaranteed level of 1980.

Maintain Steady Agricultural Growth Through a Scientific Approach and Increasing Investment

4. The Seventh 5-Year Plan calls for a total grain output of 900 billion jin, maintaining an approximate level of 800 jin per capita. This is a new production level, which can be attained only by relying on science, increasing investment, increasing per unit area output, and appropriately stabilizing the total acreage for grain crops.

Efforts must be made to increase land productivity. Chemical fertilizer supply should be increased year after year. At the same time, the tendency to overlook organic fertilizers in recent years should be corrected in order to increase organic matter in soil content.

It is necessary to continue to harness rivers, improve farmland water conservation facilities, repair and renovate existing facilities, and build necessary auxiliary projects for existing facilities. It is necessary to transform land with medium and low yields according to plan. The necessary labor investment system should be instituted, and procedures for cooperating in building mutual-benefit agricultural projects should be further imporved. With some peasants shifting to nonagricultural production, encouragement is given to putting more cropland in the hands of expert farmers and developing special crop-cultivation households of proper size.

In order to support the development of animal husbandry and the aquatic products industry, it is necessary to step up building basic facilities for commodity production, grassland, and facilities for deep-sea fishery; set up fine-seed breeding, fodder, epidemic prevention, product processing, storage, transport, and marketing services; and gradually form relatively concentrated commodity production zones. It is necessary to develop forestry persistently and cultivate fast-growing forests to support the cultivation of slow-growing forests. At present, emphasis should be put on nurturing young forests and building fast-growing and high-yield forests.

In coastal areas, it is necessary to build a number of export bases for new agricultural products, special local products, and small commodities produced by village and town enterprises; develop the production of agricultural products that earn foreign exchange; and take the lead in achieving good quality and high standards for rural products.

All localities, particularly counties, should continue to do a good job in agricultural resources surveys, agricultural regionalization, and social and economic surveys, formulate overall local development plans, and give full play to local favorable conditions to develop the local economy in an all-round way.

This year, departments concerned should formulate regulations on strictly controlling building of nonagricultural projects on cropland; on governing the planning, building, and management of small towns; and on concrete measures for water and soil conservation and for rural environmental protection. This legislation should be submitted to the State Council for approval before it is enforced.

5. Although the state has increased its investment in agriculture, funds for rural construction will still mainly come from the rural areas' own accumulation. We recommend that the cooperative economic organizations in various localities use some of their annual revenue to set up a public accumulation fund and at the same time establish a depreciation system for their fixed assets. We also encourage the masses to invest in building various kinds of production facilities. The People's Bank and the Agricultural Bank of China should formulate different credit loan policies for different areas and industries in order to support the structural reform of industries and the renovation of agricultural technology. The various policies governing credit cooperatives stipulated in the CPC Central Committee Document No 1 of 1985 as well as the various State Council regulations on the structural reform of credit cooperatives should each be implemented. The ratio between a credit cooperative's reserve fund and total deposits should be properly lowered according to local conditions, thus ensuring that more deposits are attracted so that more loans can be made. We must also actively promote various kinds of rural insurance.

6. Science and technology must serve the rural economy, and rural economic development must depend on science and technology. This should be regarded as an important principle.

Currently, we must emphasize the development of new seed strains, new technology, new machinery and implements, and new materials suitable to China's agriculture. We must also promote technical innovations in the various sectors of a diversified economy, continuously raise both the quantity and quality of products, cut production costs, and raise labor productivity.

We must attach great importance to establishing and perfecting such services as agricultural scientific research, education, information, technological popularization, management, and others at all levels. We must make gradual and proper readjustments to the orientation, mission, and layout of the agricultural scientific research organizations; develop the county agricultural technological popularization center to combine the tasks of experiment, demonstration, popularization, and training; and step up the popularization of agricultural technology at the frontline of production. Technological services should primarily be rendered to the peasants at little or no charge.

Under the "spark plan" approved by the central authorities and the State Council and being implemented by the State Science and Technology Commission during the Seventh 5-Year Plan, some 100 types of complete sets of technical equipment suitable for use in village and town enterprises are to be developed and manufactured in large quantities; some 500 village and town enterprises for technical demonstrations will be established; they will be provided with whole sets of technology, management regulations, product designs, and quality control methods; and each year, these enterprises will offer short-term training to a number of educated rural youths and basic-level cadres thus enabling the trainees to master one or two advanced technologies of great use to their respective localities. This should be a good way to promote scientific and technological services. The scientific, technological, education, and economic departments at all levels must closely cooperate to implement this plan and must work out their own plans of a similar nature in order to accelerate various technical innovations in rural areas.

While doing technological research and popularization work, scientific research agencies, colleges,and other schools concerned should pay attention to planning for medium- and long-range research projects and should replenish their scientific reserve forces.

Carry Out Thorough Rural Economic Reform

7. Rural economic reform is still far short of its set goals. Reform involves breaking with old ways and establishing new ways. To perfect the circulation and cooperative systems and readjust the industrial structure, a lot of work remains to be done. If we fail in this work, reform may be interrupted. The various difficulties encountered in reform can only be resolved by forging ahead with reform. There is no future in shrinking from difficulties.

8. Reform in the system of unified state purchase of farm products is tied to the interests of the producers, dealers, consumers, and other sectors. This reform should be carried out in coordination with urban reforms in the future. This year we should concentrate our efforts on policies already in force, keep up the good work, and consolidate and enhance the fruits of reform.

Replacing the unified state purchase of grain with contractual purchase is an important reform in the grain procurement system. It should be gradually perfected. Our determination to carry out reforms should not be swayed by seasonal fluctuations in grain production. To protect and arouse the peasants' enthusiasm for producing and selling grain, the quantity of contractual purchases will be reduced to an appropriate extent, more grain will be purchased at negotiated prices in the market, and peasants who sign contracts will be supplied a fixed quantity of chemical fertilizer on a par and will be given loan priority.

While readjusting the quantity of contractual purchases, special attention should be given to those localities that have tremendous potential for grain production but lack the means to develop production in other areas. In economically developed areas, the quantity of contractual purchases should be kept stable mainly by promoting the development of village and town enterprises so as to supplement agriculture with industry and reasonably compensate peasants for producing and selling grain.

In order to rationally regulate the economic interests of the provinces that ship grain and those that bring in grain, facilitate grain circulation, and enable each province to exploit its own advantages, starting in the 1986 grain year, all provinces, autonomous regions, and municipalities will institute a system of responsibility for grain shipment. The method for determining shipment prices and the financial subsidies involved will also be readjusted accordingly. When it becomes necessary to export from or import into a province grain that does not fall within the scope of the responsibility system, localities will negotiate purchase and sales prices.

The Ministry of Commerce and the Ministry of Finance will be instructed to work out, as soon as possible, a plan implementing the two tasks mentioned above, and to submit the plan to the State Council for approval before transmitting it to all localities. Following the aforesaid guidelines, all localities should take local conditions into consideration and do their work in a meticulous and down-to-earth manner.

Large cities should give priority to the production and supply of vegetables and sideline products. Continued efforts should be made to ensure vegetable production in the nearby suburbs and to gradually set up vegetable production bases in the distant suburbs, as well as to designate vegetable supply bases out of town. The nearby suburbs will be the primary source of vegetable supply, the distant suburbs will play a supplementary role, while the out-of-town bases will provide a certain degree of maneuverability. This will ensure an ample vegetable supply. It is necessary to actively establish wholesale markets for vegetables and sideline products to make more farm products available in the cities.

Processing plants that use farm produce as raw materials should try various ways to serve the areas that produce raw materials and should assist the peasants in providing products that meet the plant's requirements. In this way, the processing industry will gradually guide and promote production. Signing contracts will benefit both the peasants and factories, and profits will be shared between them.

Timber produced by collective-run forest zones and animal byproducts turned out by stockbreeding zones should adhere to the open policy, rather than revert to the old way. All localities should provide effective guidance in light of the new situation resulting from the implementation of the open policy, so that the production and circulation of timber and animal byproducts will be guided onto the right track as soon as possible.

The circulation sector should persist in multichannel operations. State-run commercial establishments should accelerate reforms, show greater vigor in their operations, solve the problem of excessive circulation fees, exploit their advantages, master the essential sources of commodities, take an active part in market regulation, and help balance supply and demand.

9. In readjusting agricultural structure, it is necessary to correctly handle the relationship between grain production and a diversified economy. Grain is an important and irreplaceable product vital to state economy and the people's livelihood. Grain production should be guaranteed. On the other hand, grain yields low earnings and peasants need to supplement their income with a diversified economy. Therefore, equal attention should be given to grain production and to a diversified economy. They should closely coordinate with and promote each other.

In the past we devoted our efforts solely to promoting grain production, which failed to bring faster increases in grain output. On the contrary, it resulted in a stagnant rural economy. In recent years, we have encouraged a diversified economy, including growing cash crops, and developing forestry, animal husbandry, fishery, rural industries, building industry, transportation, service trades, and so on. As a result, grain output has increased more rapidly, increasing overall rural economic prosperity.

Under China's current situation, agriculture and rural industry must develop together harmoniously. Neither industry nor agriculture should elbow the other aside. It should be pointed out that if the rural industry is not developed, there will be no outlet for surplus labor, and we will not be able to supplement agriculture with industry. Conversely, if the agricultural sector is unable to increase its supply of food and raw materials, it will be hard for the rural industry to grow. Both of these consequences will have an adverse effect on economic growth and social stability.

Over a period of just a few years, village and town enterprises' output has already exceeded 200 billion yuan, and they have absorbed a labor force of 60 million people. They have thus found an effective way to deal with the problems of limited acreage, oversupply of labor, and capital shortage in the rural areas of our country, and they have established new ties between urban and rural areas. This shows that village and town enterprises have vitality and an important economic and political significance. As such, all central departments and local authorities must support them, draw up rational plans, give them correct guidance, and improve their management so that they continue to develop soundly.

10. The development of rural commodity production calls for socializing production services. Therefore, improving the cooperative system should begin with services. In China's rural areas, the development of commodity economy and the development of productivity are uneven between regions and industries, and the peasants' needs for services are also diverse. Thus, different forms of cooperation and association projects of all sizes and at different levels should be allowed to coexist. By no means should there be arbitrary uniformity; much less should any one form or project be popularized by means of political movement.

A number of services organized on the basis of the nature of products or trades have appeared in recent years, and their experiences should be earnestly reviewed and gradually improved. Various localities may choose several districts where commodity production is concentrated -- especially bases of export commodity production -- districts where production of perishable goods is concentrated, and districts where family-operated industries are concentrated, and provide them good seeds and technical expertise as well as processing, storage, delivery, marketing, and other services. Specialized cooperative organizations should be gradually set up through providing such services.

Regional cooperative economic organizations should continue to improve the two-tier operation system, which combines centralized and decentralized operations. As a long-term party policy, the household-based contract responsibility system must never be changed at will or depart from the masses' needs. However, some localities have failed to take the responsibility of doing those things which cannot be accomplished, or cannot be accomplished efficiently, by individual households, and the masses are not happy about this. We should firmly integrate centralized and decentralized operation and take effective steps to provide satisfactory technical and operational services, as well as the necessary management.

Because of relatively great differences in social and economic conditions in different areas, the combination of centralized and decentralized operation should also be different in substance, form, size, and level. In areas where collective resources are limited, production is relatively uniform, and output is primarily meant for self-sustenance, work should be started from the very basic.

Effective measures should be taken to help rural households solve their problems in production and circulation and increase their cooperative projects gradually. The economically developed areas where collective enterprises are well founded should fully utilize the conditions of centralized operation and centralized distribution to step up agricultural capital construction and technical transformation, and appropriately readjust the size of operation so as to enhance coordinated agricultural, industrial, and commercial development.

The supply and marketing cooperatives shoulder the heavy task of procuring great quantities of agricultural products and supplying means of production and consumer goods. To meet the peasants' needs in developing a commodity economy, these cooperatives must accelerate the pace of reform and become the peasants' business partners. In matters related to financing, tax revenues, credit loans, and personnel, the state gives equal treatment to the supply and marketing cooperative and to the cooperative commercial operations under the collective ownership system, and the state also gives them preferential treatment where needed. In accordance with this principle, the Board of Directors of the All-China Federation of Supply and Marketing Cooperatives must submit a plan for further reform as soon as possible.

11. The socialist public ownership system provides all workers with conditions and opportunities for development, and the state controls the regulation of social income. These facts form a fundamental guarantee for achieving the goal of prosperity for all people and for forestalling polarization. Because of differences in specific conditions among the workers and the various regions, it is inevitable that some people have become affluent sooner or have greater wealth than others. In policy, we must persist in the orientation of bringing prosperity to all, but in practice, we must permit differences in development and let some people and regions become well-off first, because only thus can the society progress. Egalitarianism will not work because it only chokes production and leads to poverty. In our understanding, we must distinguish between socialist development of letting some people become well-off sooner than others and poliarization under the private ownership system.

Individual economies are a necessary complement to the socialist economy. In permitting them to exist and develop in rural areas, we are bound to see differences in the possession of means of production. But if we adopt an appropriate policy and take necessary regulatory action, we can keep these differences within the bounds permitted by society, and these differences will not pose a threat to the socialist foundation. Although we must encourage the various specialized households to become well-off by hard work, we will not tolerate their "becoming rich and influential families."

In short, we must allow some of the people to become well-off first, but at the same time, we must also develop a system of cooperation, regulate income with taxes, help the poor, perfect the legal system, protect people's legal rights and interests, check illegal profit-seeking, and develop productive forces, thus embarking us on a course toward prosperity for all people.

Effectively Help Impoverished Areas Gradually Change Their Faces

12. Great disparities in natural, social, and historical conditions exist in China's rural areas. Freeing the impoverished regions from poverty calls for arduous work and protracted efforts. The leaders at all levels and various departments must enhance their understanding, change their work style, pay close attention to the work in these regions, and include the mission of changing the faces of the impoverished areas as an important task on their daily agenda.

To change the face of the impoverished areas, we must proceed from reality, assess different situations, clarify responsibilities at each level, and deal with the problem by groups of areas. Currently, emphasis must be laid on the most difficult areas where the people still do not have sufficient food and clothing. After carrying out investigations in these areas, we will then formulate plans, allocate funds, and adopt effective measures to speedily provide the local people with sufficient food and clothing so that they can gradually improve their livelihood by tapping local resources and developing production self-reliantly. In areas where conditions are not so difficult, we will mainly implement the policy and guide production with a correct principle, providing necessary support to the development of forestry, animal husbandry, and mining industries and the production of indigenous and special products, thereby enlivening the local economy.

13. Funds allocated by the state to provinces and autonomous regions as aid to impoverished areas must be examined and subjected to the unified control of the provincial or autonomous regional governments, which, in turn, will work out plans, designate specific projects, and organize funds, technology, and professional people to give coordinated support to the impoverished areas.

14. State-run industrial plants and mines in impoverished regions must disperse their production among local village and town enterprises to aid their development. Mountains, forests, pastoral lands, and watery areas, which are beyond the state's means to manage, may be contracted out to the local people for development. The local government may also provide a part of the capital to a joint venture with the local people for the development of these areas. We must encourage developed areas to build enterprises in the impoverished regions. With the exception of some special varieties designated by the State Council, all agricultural, forestry, animal husbandry, sideline, indigenous, and special products produced in the impoverished areas may be freely sold on the market.

15. The State Council and relevant provinces and autonomous regions must set up leading groups in impoverished areas to strengthen leadership. They must make use of all types of channels to train cadres for impoverished areas, and, at the same time, transfer a group of outstanding cadres from the central, provincial, and prefectural level organs and organize volunteers to work in impoverished areas.

Strengthen and Improve Leadership

16. During the past few years, the central authorities have continuously issued a series of important policy documents on rural work. The various localities and departments have earnestly implemented them and have made due contributions to promoting rural reforms. However, on some issues, there exists disunity of thought, incompatibility in work, insufficient support to new things, and a failure to make proper efforts in implementing the central policies. We must overcome this situation. From now on, various localities and departments must safeguard the seriousness of the party's policies and raise their awareness in implementing policies. Under no circumstances should one go his own way on important policy issues. In revising outdated policies that fail to keep pace with the current situation, we must practice democratic centralism. When there is a need to implement policies flexibly, we must report the situation to the higher authorities and request their approval. When we encounter difficulties in the course of implementing a policy, we must conduct investigation and study, make active explorations, and take the initiative in doing things. We must never beat a retreat in the face of difficulties.

17. In carrying out rural reforms and developing the commodity economy, we must combine the efforts of the urban and rural areas, and we must require coordination among many departments. In order to coordinate all our activities, various provinces, autonomous regions; and municipalities under the direct administration of the central government must adopt specific measures to strengthen their guidance over the development of the rural economy in a coordinated manner.

It is necessary to continuously carry out overall reforms in selected points at the county level. We may further carry out our tests in places where conditions permit. After the separation of government administration from commune management, the township government can only lead the economic work in the whole township from the administrative angle. We must respect the decision-making rights of cooperative economic organizations and enterprises, and we must gradually build township finances.

In doing rural economic work, leadership's main task is to serve the grass-roots units and the peasants. Efforts must be made to perform actual deeds, emphasize practical results, never yield to vanity, and oppose boasting and exaggeration. Particular efforts must be made to oppose the unhealthy act of resorting to trickery in dealing with one's superiors. The cadres at all levels should go deep into basic-level units, visit the prominent personages to solicit their views, help the poor become well-to-do, perform some actual deeds in each township and village, ensure that they achieve their goals successfully, and carry out their work well in every household and family.

18. The rural party rectification is being carried out step by step on the basis of the circular of the Commission for Guiding Party Rectification. In the course of party rectification, we must commend those party members who actively lead the masses to achieve common prosperity, protect those party members who become rich by working hard, and seriously deal, on a case-by-case basis, with the few cadres and party members who have made use of their authority to seek private gains and have reaped straggering profits by illegal means. Efforts must be made to strengthen party building in the rural areas through party rectification, bring into full play the role of basic-level party organs as a fighting bastion in developing material and spiritual civilization in the rural areas, carry out ideological and political work regularly, and foster socialist ethics and habits. Some villages are organizationally lax. No one is doing work responsibly. We must adopt measures to correct this situation within a time limit. Village cadres must set up a clear-cut responsibility system and be reasonably paid for their work.

The steady development of the rural economy is of great significance to the entire national economy and of even greater importance to realizing the target of being comfortably well-off before the turn of the century. The central authorities hope that the leadership at all levels and the relevant departments will closely coordinate with one another, work harder than ever before, bring about a rejuvenation of the rural economy, and score an overall victory in carrying out rural reforms.

HU YAOBANG INSPECTS, ENCOURAGES RURAL WORK

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[By reporters Feng Jian and Zhang Zhilin]

[Text] Beijing, 23 Feb (XINHUA) -- Hu Yaobang, general secretary of the CPC Central Committee, stressed on 19 February that leading organs and leading cadres at central and provincial levels should regularly go among the masses and visit grass-roots units to conduct investigation, study, and build closer ties between higher and lower levels on one hand and between leading organs and the broad masses on the other.

Doing so strengthens good common practice and generates tremendous spiritual strength. What is more important, it is also conducive to realizing correct leadership, minimizing mistakes in leadership work, upgrading the quality of cadres, and promoting the sound development of cadres, especially younger ones.

He said: Judging from our party's historical experience, we must work hard in two areas if we want cadres to develop healthily. First, cadres must have a good grasp of Marxist theory as well as modern scientific and technological knowledge and administrative and management know-how. Second, cadres must be familiar with the situation in the country and in their respective provinces, and msut work hard for more experience in practical work. In other words, they must climb upward as well delving deep.

Hu Yaobang made these remarks in Nanning on 19 February after he heard reports from three inspection teams formed by central organs on the situation of impoverished areas and on the work of Yunnan, Guangxi, and Guizhou.

From 4 to 16 February, Hu Yaobang toured, by car, high mountain ridges in southwest China and inspected Anshun Prefecture Guizhou; Qujing Prefecture, Yunnan; Baise Prefecture, Guangxi; Beihai City; and Fangcheng Port. He was briefed on the work of these prefectures and of a dozen or so subordinate counties. After arriving in Nanning on 16 February, he spent 2 and 1/2 days attentively listening to the work reports of the three inspection teams, two provinces, and one region.

Hu Yaobang's speech is divided into four parts: 1) two aspects of leadership work that require attention; 2) the situation and prospects of our country's agriculture; 3) views on economic development in Yunnan, Guizhou, and Guangxi; and 4) the question of impoverished areas emerging from poverty and prospering.

Discussing the agricultural situation in our country, he said: All in all, agricultural production in our country has improved each year and developments have exceeded the expectations of many comrades. The major experience in agriculture is that in the 7 years since the 3d Plenary Session of the 11th CPC Central Committee, we have taken two big steps: First, we have introduced the multiform system of contracted responsibilities based on the household with remuneration linked to output in agricultural production and given the peasants broad decision-making powers in managing production. This is a very bold step, which rapidly, in just 2 to 3 years, put an end to the long stagnation in our country's agricultural production and enabled most areas in the country to solve problems of food and clothing. We took the second step by adopting, in 1981, the operational policy of "never allowing grain production to fall off while actively developing a diversified economy," reforming the system of assigned or unified purchases of farm produce, readjusting the production structure in rural areas, developing village and town enterprises, and promoting agricultural commodity production. These two steps are important policy decisions in the reform of Chinese agriculture.

Reviewing China's course in developing agriculture, Hu Yaobang said: There are two points to which we must pay full attention. First, we must take the road of achieving common prosperity. Our goal is to achieve common prosperity. However, over a considerably longer period, we should allow some peasants to become well off first and others to become rich later, as if in waves. Second, we should never allow ourselves to take the beaten track of total separation between cities and the countryside and between industry and agriculture. While we carry out diversified management and run town and township enterprises, peasants will still be in the countryside, although they will no longer carry out farming. This ensures a suitable ratio between rural and urban population. As long as we grasp these two points, we will continue to vigorously reform China's agriculture and help China's countryside become rich and will never deviate from the socialist road.

On the basis of his investigations in the past 13 days and the large amount of data compiled by his inspection group in the two provinces and one autonomous region, Hu Yaobang analyzed in detail the prospects of economic developments in Yunnan, Guizhou, and Guangxi. He said: In the past 2 years, economic development has accelerated in Yunnan, Guizhou, and Guangxi. They are doing a good job, and they have further strengthened their confidence in developing the economy. However, if we look at the level of development, they still rank among the backward provinces, municipalities, and regions in the country. To change this situation, they must overcome many difficulties. In short, they must guard against rashness and be full of confidence in quadrupling the gross annual value of industrial and agricultural output by the turn of the century.

He emphatically pointed out: To win the economic battle of quadrupling the gross annual value of industrial and agricultural output, the two provinces and one autonomous region must study hard to bring their own superiority into full play and to overcome their respective shortcomings, thus fostering their strengths. As for understanding the situation in one's own province and one's own autonomous region, it is a continuous process of deepening one's knowledge. It is impossible to complete this process at one stroke. It must go through a repetitous process of practice, knowledge, more practice and more knowledge. At the same time, this kind of knowledge must be acquired in close connection with the state of affairs in the whole country and the needs of China's overall development. Only by doing so can one fully understand the situation in one's own province and one's own autonomous region. He expressed the hope that in developing their economy, the two provinces and one autonomous region pay attention to their superiority in the following three aspects:

1. The two provinces and one autonomous region have rich mineral resources of various types, including energy resources, ferrous and nonferrous metals, and nonmetal mineral resources. These mineral resources are of great significance in developing China's national economy.

2. Yunnan, Guangxi, and the low-temperature zone of rivers and valleys in southern Guizhou are areas where subtropical economic crops thrive. These are zones where we can vigorously grow sugar-bearing crops, various types of subtropical fruit, many types of medicinal herbs and spices.

3. The two provinces and one autonomous region have vast high and cool mountainous areas and pastures where trees and fodder grass will thrive and a large number of cattle, horses, and sheep can be put out to pasture. The two provinces and one autonomous region must adopt effective measures and implement even more flexible policies to bring their superiority into full play through the following:

Strive to import and develop new technology, open up new industries, and make full use of the rich, local coal resources.

Adopt still more flexible policies and measures in mining by carrying out cooperative mining among state-run, collective, and individual mining enterprises.

Work out plans and strengthen guidance over the study and development of subtropical economic crops, improve technical services with regard to these crops, and provide services before and after the crops have ripened.

In developing township enterprises, we must base ourselves upon local resources and pay attention to helping the masses become well-to-do.

In grain production, we must grow grain crops intensively instead of growing them over large areas.

As for the question of impoverished areas prospering after eliminating poverty, Hu Yaobang said: The central authorities have always been concerned about this question and take it seriously. On 29 September 1984 the CPC Central Committee and State Council issued a circular on helping impoverished areas change their situation as quickly as possible. Now we must vigorously implement it. The most important thing is to select the right targets and concentrate our attention on helping them so that the income of the overwhelming majority of the people in some impoverished areas will actually increase every year. This is the heart of the matter, and we must grasp it. We must guard against flourishes and avoid grandiose projects.

Advanced areas should "lead" and "help" impoverished areas. By "leading" we mean doing a good job in cooperating with impoverished areas and bringing them along toward prosperity; by "helping" we mean passing on technology and management experience. We should call on and select a number of party and government cadres and scientific and technological personnel who have a strong sense of responsibility and aspire to help poor areas rid themselves of poverty to work in poor areas on a voluntary and rotational basis. He said: With the development of our national economy, the state's capacity to help poor areas will increase year after year. However, we must clearly understand that the guiding ideology for helping poor areas should be to strengthen their ability to develop through their own efforts and enhance their own ability to "produce blood." We must help people in the poor areas remove the mental burden imposed on them by generations of poverty by providing them with good examples showing them how to draw on the strength of advanced models, enhance their confidence, and mobilize and bring into play their enthusiasm for developing the economy.

Before hearing the reports of the three inspection teams and the two provinces and one region, Hu Yaobang inspected Beihai City -- the southwesternmost of China's 14 open coastal cities -- 14-16 February. He inspected construction projects well under way in the city, including the construction site of the 10,000-ton class wharf at Beihai Port, the construction site of the port area at Fangcheng Harbor, and the recreational beach being planned. He asked for details on the production and construction situation in Beihai since it was designated an open city in April 1984, commending it by saying that the city's development has been rather smooth.

He said: One of Beihai City's biggest differences from other coastal open cities is that it is the passage to overseas for the hinterland of our great southwest China covering Sichuan, Yunnan, and Guizhou. The capacity of Beihai and Fangcheng harbors will be increased to several million tons in 2 to 3 years. Beihai City should give top priority to serving the harbors well. It is necessary to develop transportation, storage, trade, packaging, processing, and other tertiary industrial facilities by concentrating on the needs of the harbors. This is a major task concerning the economic and social benefits of Guangxi and the southwestern part of our country. If we carry out this work well, it will provide impetus to economic development in the southwest. He also said that Beihai is blessed with special resources superior to those found in other places or provinces. They may be further exploited by introducing investment from abroad and establishing lateral ties at home.

Hu Jintao, secretary of the Guizhou Provincial CPC Committee; Wang Chaowen, governor of Guizhou Province; Pu Chaozhu, secretary of the Tunnan Provincial CPC Committee; He Zhiqiang, governor of Yunnan Province; Chen Huiguang, secretary of the Guangxi Zhuang Autonomous Region; and Wei Chunshu, chairman of the autonomous region, separately accompanied Comrade Hu Yaobang during the inspection tour. They also attended the report meeting in Nanning.

PROBLEMS OF RURAL FINANCE, DEVELOPMENT VIEWED

HK210921 Beijing RENMIN RIBAO in Chinese 16 Feb 86 p 1

[Commentator's article: "Improve Macroeconomic Control; Enliven Rural Finance"]

[Text] In 1985, financial departments in rural areas made due contributions to stabilizing the situation of economic reform and supporting economic development in the rural areas by taking an active part in expanding the sources of credit funds, and doing their best to organize and regulate funds in order to basically ensure the monetary needs in the purchase of agricultural and sideline produce and the readjustment of production mix in the rural areas. This was subject to the condition that the scope of credit in the rural areas must be kept under strict control when easing the shortage of credit funds in the rural areas.

However, we should also see that our financial work in rural areas still fails to meet the development needs of the situation, compared with the more and more important position of financial departments in China's economic life and the requirements of the development of commodity economy in the rural areas. One noticeable thing is the lack of harmony between supply and demand of credit funds, and the control over credit has either been too relaxed or too tight over the past 2 years. The loss of control over credit will foster the blind development of economy, while too tight a control will affect the normal progress of production and circulation. The phenomenon of requiring unanimity in everything still exists to a certain degree in credit controls, which has affected the exploitation of the advantages of some regions as well as the appropriate consideration for some areas which are in difficulty. Besides, the phenomenon of lacking in strict control over credit and making loans blindly also exists. These problems should be solved in earnest. Setting up a steady credit mechanism in the rural areas and formulating a credit policy based on different regions and industries will give better play to the role of credit as a lever in the rural economy. It is also an important task facing rural financial departments.

In the new year, rural financial departments should review their experiences and lessons. They should do their best to strengthen and improve macroeconomic control, to organize circulating funds, to expand the sources of funds, to accelerate capital turnover, and to support the continuous readjustment in the production mix in the rural areas and the smooth progress of the transformation of agricultural technology, based on the guiding idea of the Central Committee on economic construction during the Seventh 5-Year Plan and the spirit of the 1986 Central Document No 1. The agricultural bank plays the double functions of macroeconomically controlling the economy and microeconomically enlivening the economy. Starting from a macroeconomic angle of the national economy and the development of rural economy, the agricultural bank should readjust its credit policy based on different regions, conditions, trades and uses, so that control may be strict or otherwise as the case requires, when support or restriction may be carried out based on the actual conditions. China's rural areas are vast, and have a thousand differences in their conditions. We should not require unanimity in everything in all undertakings; the same holds true with credit work. Only when different targets and policies in credit are adopted based on differences in population, natural resources, geographical conditions and economic levels of different regions as well as the principle of dealing with different cases and giving qualified guidance will it be possible for credit work to conform to the actual conditions of rural areas and to accomplish due results.

Enlivening the funds in the rural areas and promoting the development of rural economy requires the concerted efforts of agricultural banks and credit cooperatives in various localities. Administrative measures were usually adopted in the management of rural finance; now many relations should be straightened out through reform.

Before these relations are straightened out, agricultural banks at all levels and grass-roots operational units should bring into play their subjective initiative and unfold their work in a creative way under the guidance of the spirit of the Central Committee and the relevant regulations of the Agricultural Bank. It is necessary to further strengthen management and operation, to gradually realize the systematization and standardization of credit work, and to resolutely correct the phenomenon of failing to follow the regulations and letting cases of violating the regulations go unchecked. The construction of spiritual civilization should be strengthened; and the education and training of workers and staff should be grasped firmly and well, the strengthening and upgrading of those workers in the grass-roots operational stations in particular. Under the premise of strengthening management and operation and tapping their own potentialities, they should gradually improve their own working conditions. We are sure to score greater achievements in the new year as long as we persist in reform and make concerted efforts in unanimity.

FINANCIAL WORK OF TOWNSHIPS, TOWNS ADDRESSED

HK230737 Beijing JINGJI RIBAO in Chinese 17 Feb 86 p 1

[Editorial: "Gradually Establish and Perfect Township and Town Finance"]

[Text] In recent years, the financial work at the level of townships and towns has begun in many areas. Until 1985, there were already 40,000 township and town offices in the whole country, manned by 83,000 financial cadres. The establishment of the work of township and town finance has played a good role in perfecting the building of political power at the grass-roots level, further implementing the rural economic policies of the party, developing the rural economy, and strengthening financial supervision.

To gradually establish and perfect township and town finance is an important task. With the rapid development of the rural economy, the state's various revenues from and expenditures on, rural areas are constantly increasing. The incomes of rural social financial resources and the self-raised capital at township and town level also greatly increased. Under this new condition, only by establishing and perfecting the work of township and town finance can we do well in carrying out the distribution and redistribution of social products within the scope of a whole township, raising, supplying and appropriating funds,and promoting the further development of the rural economy.

However, we should also notice that at present, the burden on peasants in some areas is still rather heavy, and that some localities arbitrarily charge and fine peasants and apportion their funds under a variety of guises. As every peasant has to pay a dozen yuan, or several dozen yuan, the peasants just cannot afford it. By establishing township and town finance under the leadership of township and town CPC committees and governments, in light of relevant principles and policies and the specific conditions of a township, under the supervision of the township and town people's congresses, and according to the supervisions of the budget and other relevant systems and the principle of "appropriately drawing and spending money," we can reasonably raise and concurrently control various funds in the interests of every quarter, increase the use value of funds and lighten the burden of the peasants.

Using industry to subsidize agriculture is an important measure in stabilizing and developing agricultural production, particularly grain production. However, in rural areas the main source of funds from industry in subsidizing agriculture is the income of township and town and village enterprises. By establishing township and town finance, we can employ its function of distributing funds to set aside a part of funds from the income of township and town enterprises.

Thus, in light of the specific measure of using industry to subsidize agriculture, and through the rational appropriation of funds and adoption of various methods, we can support and encourage the development of the planting and breeding industries so as to protect and enhance the enthusiasm of peasants for engaging in agriculture and growing grain.

After implementing rural economic structural reforms, the levying of various taxes, the grants of circulating funds earmarked to support agriculture and the subscription for treasury bills, and so on, rural areas must be geared to the needs of all the peasant households and various economic organizations. As finance work is large in volume and extensive in scope, only by establishing township and town finance can we undertake these heavy tasks, do a solid job and create conditions for further restructuring the financial structure.

To establish and perfect township and town finance, we have to do a lot of work. It is necessary to adequately investigate and study and on the basis of obtaining a good understanding of the situation, to work out an overall plan and implementation measures. It is necessary to set up organizations provided with staff; audit accounts to get a clear understanding of the financial conditions; and divide the scope of revenue and expenditure to clearly define the financial system. Meanwhile, it is also necessary to strive to open new financial resources, actively raise revenues, and rationally arrange expenditures according to the needs of production and institution development.

At present, the work of building township and town finance has been developed in the whole country. Under the leadership of governments at all levels, finance departments at all levels should coordinate with departments concerned to actively carry out and gradually establish and perfect the work of township and town finance and further develop the excellent situation in the rural areas.

JIANGSU PEASANTS REPORTEDLY OVERCOMING POVERTY

HK211002 Beijing RENMIN RIBAO in Chinese 8 Feb 86 p 2

[Report by Zhang Shuliang and Tao Yuan: "More Than 4,000 Peasant Household Have Shaken Off Poverty in Wuxi County"]

[Excerpt] Wuxi County in Jiangsu Province is well-known for its highly developed town and township enterprises. However, it has not forgotten the poverty-stricken "pockets" in rich areas and has actively helped a small number of low-income peasant households develop production. As a result, many such households have become well-off rather quickly.

Over the past year or so, along with the rapid development of the rural economy in Wuxi County, the peasants' standard of living has greatly improved. Townships and villages with a per capita income of over 1,000 yuan have emerged group after group. However, in the past year there have also been some peasant households whose incomes were relatively low, and the phenomenon of imbalance persisted. According to an investigation and calculation by a relevant department, there were nearly 8,000 peasant households in this county whose per capita income was lower than 300 yuan, making up about 3 percent of the total number of peasant households. The country leader attached great importance to this. They held that while encouraging and allowing some areas and people to become well-off before the others and acknowledging the differences in income, it is also necessary to adopt positive measures to help a small number of poor households quicken their strides towards affluence so that they may not be poor for too long.

In the work to help poor households, the county adopted a method of state subsidies, collective assistance, and mutual help among the masses in order to collect funds through various channels. In this way it collected funds of 2.15 million yuan. The county's civil affairs, grain, and supply and marketing departments also did what they could to make things easy for this work in financial affairs and material supply as well as in production and sales. In light of their realities, various areas have given play to their superiority in comparatively developed town and township enterprises and have adopted various measures such as giving priority to poor households to work in the town and township enterprises or in initiating social welfare work, in order to help the latter improve production and living conditions. At the same time, they also enthusiastically encourage all kinds of specialized households to encourage poor households and to let the rich help the poor. They have achieved very good results in this regard.

Commentator's Article

HK211034 Beijing RENMIN RIBAO in Chinese 8 Feb 86 p 2

[Commentator's article: "Do Not Forget the Poverty-Stricken 'Pockets'"]

[Text] Comparatively speaking, poverty-stricken "pockets" exist everywhere. In the whole nation, there are tens of millions of people whose problems regarding food and clothing have not been completely solved. In all provinces and prefectures, there are comparatively poor counties. In Wuxi County, which can be regarded as the "richest county," there are even thousands of people whose per capita annual income is lower than 300 yuan. Some of them are living in the well-known "100-million-yuan townships" and "10-million-yuan villages." It seems that an imbalance of economic development exists everywhere.

Ours is a large country. It is not strange for some areas with better conditions to become rich before others while some areas with a poorer basis lag behind for the time being. It is also reasonable that in the same area, due to differences in labor force, skill in production, and family background, there are also differences in the incomes of different peasant households. For a long time in the past we did not take a correct attitude toward the law of imbalance in development and tried to even up the economic incomes of all areas and all households, thinking that this would lead to equal prosperity for all. However, no one could get rich in this way and the precious opportunity for economic development was forfeited.

Over the past few years, as a result of implementing the policy of the central authorities on allowing some areas and people to become well-off before others through labor, many able people have become rich, and there has been vigorous development in our economy. The situation is inspiring. However, while acknowledging differences, allowing and encouraging the peasants to get rich before others through labor, and protecting these peasants, we must never forget those proverty-stricken "pockets," no matter how big or small. If these areas and households remain poor for a long time, then the leaders and the leading departments will be held responsible for it.

The poverty-stricken "pockets" can be neglected easily. When people visit the "100-million-yuan townships," they usually visit rich households. Very few people ever visit the poor households. In some mountain areas, since there are no transport facilities, even county leaders rarely go there. This situation should be changed. Since the poverty-stricken "pockets" have comparatively more "difficulties," they need more care and help from the leaders. Some masses of the poverty-stricken "pockets" have complaints about those comrades who only have the rich households in mind and have only visited these households. This is entirely understandable.

The comrades of Wuxi County have not been blindfolded by the "100-million-yuan townships." They have adopted effective measures to help the poor households and achieved great successes in this respect. We should encourage this spirit. If all people, either in rich areas or in poor areas, do not forget but show more concern for the poverty-stricken "pockets" and offer realistic help for them in all respects including funds, materials, information, and technology, we will not have to worry about the situation of the face of the poverty-stricken "pockets" not being changed and the purpose of achieving common prosperity gradually being attained.

SOLUTIONS TO IDEOLOGICAL, SYSTEM PROBLEMS SEEN

HK211007 Beijing GUANGMING RIBAO in Chinese 8 Feb 86 p 1

[Commentator's article: "It Is Imperative To Solve Ideological Problems as Well as Problems of the System"]

[Text] Recently, the central authorities have issued consecutive notices banning the practice of recklessly sending people abroad; demanding that leading cadres at various levels simplify the reception procedures when going on official visits to other parts of the country or foreign countries, and that cadres be selected, promoted, or appointed strictly according to party principles; banning the practice of traveling to other parts of the country or to foreign countries using public funds; and banning party and government institutions and party and government cadres from doing business and establishing enterprises. All these are guarantees for correcting the party style and straightening out malpractices.

What can we depend on in correcting party style and straightening out malpractices? First, we depend on ideological education. Second, we depend on the law and the system. The two can complement each other. Why do malpractices still prevail after the central authorities have repeatedly called for resisting and straightening out malpractices? There are many reasons for this. Subjectively speaking, there are indeed some people who abandon what is righteous (socialism) when lured by promise of gain, and who are bold enough to recklessly reap personal gain by taking advantage of the reform in spite of repeated injunctions of the central authorities. Objectively speaking, one of the important reasons is that under the present new situation of opening up to the outside world and invigorating the economy, many new situations and new problems have emerged. Because some relevant systems are imperfect, we lack definite and complete regulations which can tell us what we should do, what we should not do, and how we should do what is required of us. As a result, those who carry out malpractices can avail themselves of loopholes in the process of the new replacing the old, whereas those who are determined to resist the malpractices do not know what to follow. When summing up the lessons of the "Great Cultural Revolution," Comrade Deng Xiaoping once pointed out: "The various kinds of mistakes made by us in the past were caused by the ideology and work style of some leaders, but mainly by our imperfect organization and working systems. Sound systems can stop bad people from recklessly doing bad things, whereas imperfect systems can also make good people unable to do good things, and even make them do bad things" ("Selected Works of Deng Xiaoping," p 293). This principle is also applicable to our work of straightening out malpractices.

It is doubtlessly important to straighten out malpractices, to strengthen ideological education among party members and, especially among the leading cadres, to build a strong dam in their ideology resistant to capitalism and feudalism, consciously safeguarding party style and discipline. However, this is not enough. We must also pay great attention to and strengthen the construction of the system, so as to standardize the behavior of party members and leading cadres, make ideological education a success, and achieve marked success in straightening out malpractices by relying on the systems.

So, in order to straighten out malpractices, "it is imperative to solve ideological problems, and problems of the system as well" ("Selected Works of Deng Xiaoping," p 289).

Over the past few years, in order to straighten out malpractices, the CPC Central Committee and the State Council have formulated a number of rules and regulations. Now they have again formulated some regulations, in view of outstanding problems in the work style of the party and government organs, so as to enable us to do things according to the regulations and also the law. At present, we must conscientiously implement rules and regulations formulated by the central authorities. If the rules and regulations, no matter how good and correct they are, are only printed on paper and not implemented in practice, they will not be able to play any role in our actual lives. The practice of overtly implementing but covertly opposing or not fully implementing the various rules and regulations formulated by the central authorities is in itself a kind of malpractice which should be straightened out.

Once the rules and regulations are established, they possess binding force and become the discipline of the party. No party members or government employees, no matter how high their positions or posts, are allowed to violate them. A party has its discipline, a government has its discipline, and a country has its laws. The party and government disciplines are the laws and regulations within the party and the government organs. So if the party members or government employees violate the party disciplinary punishment. If they violate the law of the country, they will be dealt with according to the law. Only by strictly implementing party discipline, government discipline, and the law of the country, and strictly enforcing orders and prohibitions, can we safeguard the dignity of various rules and regulations and enable rules and regulations to be not only printed on paper but also embodied in the actions of every party member and cadre.

Is it true that there is a saying which goes: In straightening out malpractices, "everybody has his own opinions, but nobody has his own methods?" No, it is not true. The CPC has its own ways of overcoming and correcting any of its own mistakes and shortcomings. History has already proven this. Strengthening ideological education and strictly implementing the law and regulations are our method of straightening out malpractices. So long as we continue to straighten out malpractices in our own way and to correct party style, we will surely and fundamentally improve the general mood of society.

FINANCIAL INSPECTION TO BE CONDUCTED ANNUALLY

OW240558 Beijing XINHUA Domestic Service in Chinese 1203 GMT 23 Feb 86

[By reporter Chen Naijin]

[Text] Beijing, 23 Feb (XINHUA) -- Hu Qili, member of the Secretariat of the CPC Central Committee, and Tian Jiyun, vice premier of the State Council, pointed out yesterday: Conducting a general tax, financial, and price inspection is not an expedient arrangement but a significant measure to strictly enforce discipline in economic and financial afairs, further improve our party style and the standards of conduct in society, safeguard the interests of the state and people and, and ensure the progress of the reform of our economic structure. The Secretariat of the CPC Central Committee has decided that this general inspection be carried out annually for the next few years.

Leading comrades Hu Qili, Tian Jiyun, Zhang Jingfu, and Wang Bingqian received all members of the State Council's work group for the general tax, financial, and price inspection yesterday morning at Zhongnanhai. Comrades Hu Qili and Tian Jiyun made important remarks on the occasion.

The nationwide general tax, financial, and price inspection, which began in September last year, has been basically completed in most areas with the exception of a few provinces and municipalities. Tian Jiyun said: This inspection was a wide-ranging and large-scale campaign employing a great number of people. The results are remarkable. First, many cases of violation of law and discipline in the economic field have been revealed through the inspection. This contributed greatly to last year's financial results of balanced revenues and expenditures with a little surplus. Second, the inspection was conducted in conjunction with the second-stage party rectification, playing a positive role in bringing about a further turn for the better in our party style and the standards of conduct in society. Third, the general inspection has given the vast numbers of cadres and masses an education, enhancing their consciousness of policies, the legal system, and overall interests, thus assisting the work of building a spiritual civilization.

Tian Jiyun continued: The problems revealed in the general inspection warn us again that in the course of socialist modernization and economic structural reform, we should never pay attention only to material civilization and ignore spiritual civilization, nor should we merely grasp microeconomic decontrol and flexibility and ignore macroeconomic control, nor should we merely let lower levels have more authority, delegating power to them and ignoring the needs for economic supervision, for the legal system, and for strong discipline. We must earnestly carry out the instruction given by the central authorities and Comrade Deng Xiaoping in persistently using two hands to grasp work. This is, we should grasp material civilization with one hand and the legal system with the other. Only thus can we prevent and check all types of activities that violate the law and discipline and guarantee the smooth progress of our economic structural reform and our program of the four modernizations.

Tian Jiyun pointed out: It is imperative to squarely face the problem of violation of law and discipline on the economic field. We should never take them lightly but should resolve them by adopting resolute measures. In doing this, however, we should have a correct analysis and an appropriate assessment. Here two points should be made clear: First, problems revealed through the inspections, no matter how serious, are still isolated issues if we consider the overall excellent situation, and they can be resolved. Second, we should not attribute the phenomenon of violations of law and discipline to the process of reform. It is true that some of our reform measures are imperfect and not well coordinated, and that some units and individuals have taken reform as an opportunity to violate law and discipline on the basis of the interests of their small groups or the personal interests of their own. But we cannot say indiscriminately that these activities in violation of law and discipline and related unhealthy trends have resulted from reform. It is necessary to distinguish strictly between unhealthy trends and the principal aspects of reform. Reform should be carried out with perseverance, while unhealthy trends and activities in violation of law and discipline should be resolutely corrected and checked. The two should supplement and promote each other. This is the only correct attitude that we should have.

Tian Jiyun pointed out that the purpose of the general tax, financial, and price inspection is by no means to increase receipts only, and that the ultimate goal is to check violations of law and discipline and to improve work. As for how to consolidate and develop the results of the general inspection, he set forth the following specific requirements: First, the general inspection campaign on taxation, financial affairs, and prices should be continued in the next few years. Second, special attention should be paid to resolving problems caused by leading organs and leading cadres. When leading organs, leading cadres, or law-enforcement and supervisory departments are found to have violated law and discipline, they should be given lenient treatment. Third, necessary laws, regulations, and rules should be established and made perfect so that there will be something to follow.

The more we do to delegate power to lower levels and to make our measures flexible, the greater the need to strengthen control and supervision. Fourth, the vast numbers of cadres and masses should be educated continuously to enhance their consciousness of the legal system, policies, party style and discipline, the interests of the state, and the overall situation. Fifth, more efforts should be made to build up the cadre ranks of the tax, financial, and price-control departments and to raise the quality of these cadres.

In conclusion, Tian Jiyun stressed: We must see to it that the current general inspection is carried out earnestly in conjunction with the second-stage party rectification and the ongoing work of rectifying party style and the general mood in sciety and of correcting unhealthy trends, and that the inspection is finished successfully just as it was started successfully. All localities and departments where the general inspection has not been completed must make continued efforts to do this work well in accordance with demands set by the State Council. As for those localities and departments where the general inspection has by and large been completed, the leading groups and offices set up for the inspection should not be abolished. They have to make earnest efforts to deal with questions left over from last year's general inspection and do rounding-off work. Even in the future, these groups and offices should not be abolished but should be retained so that they will work in preparation for the next general inspection. Additionally, they may conduct some inspections on special questions from time to time. If it is found that a make-up payment should be made to the state treasury, every effort should be exerted to have the payment made promptly. Those who refuse to make the payment should be dealt with seriously.

Law breakers and discipline violators should be given serious punishment. It is imperative to grasp big and major cases firmly and investigate them resolutely so as to get to the bottom of the cases. In dealing with those units and individuals that have violated law and discipline, it is imperative not to accommodate them in such a way as "I excuse you this time, but will not let you off if you do the same thing again." We should not let them have any advantage.

OVERSEAS CHINESE POLICY TO BE FURTHER ENHANCED

OW240620 Beijing XINHUA Domestic Service in Chinese 1226 GMT 23 Feb 86

[By RENMIN RIBAO reporter Xing Fengbing and XINHUA reporter Yao Datian]

[Text] Hangzhou, 23 Feb (XINHUA) -- All historical cases and problems concerning returned Overseas Chinese and dependents of Overseas Chinese in China will be basically solved in this and next year. This is the task put forward by Liao Hui, director of the Overseas Chinese Affairs Office of the State Council, to Overseas Chinese affairs departments at various levels at the recent national meeting on implementing policies concerning Overseas Chinese affairs.

Liao Hui pointed out: The tasks of implementing the various policies concerning Overseas Chinese affairs are still very arduous. Overseas Chinese affairs departments at various levels must adopt effective measures to carry out the following tasks in a realistic manner this and next year:

It is necessary to totally redress and correct unjust, false, and erroneous cases from before and during the "Cultural Revolution;" it is necessary to speed the implementation of policies toward private houses of Overseas Chinese; it is necessary to further implement the party policies toward intellectuals who are returned Overseas Chinese or dependents of Overseas Chinese; it is necessary to pay attention to seriously handling those cases of attack on and persecution of intellectuals who are returned Overseas Chinese or dependents of Overseas Chinese.

It is necessary to promptly solve difficulties in admitting intellectuals who are returned Overseas Chinese or dependents of Overseas Chinese and have met the basic conditions for the party membership; and it is necessary to continue the proper handling of the problem of returned Overseas Chinese staff members and workers who were discharged from their work in the early 1960's.

According to data provided by the meeting, great progress has been made in recent years in implementing policies concerning Overseas Chinese affairs; it has had positive influence at home and abroad. According to statistics made in the 27 provinces, municipalities, and autonomous regions, more than 33,000 unjust, false, or erroneous cases concerning returned Overseas Chinese and dependents of Overseas Chinese from the "Cultural Revolution" have been redressed and more than 10,000 historical cases from before the "Cultural Revolution" have also been reviewed. The work of returning the private houses of Overseas Chinese occupied or confiscated during the "Cultural Revolution" has been in the main completed; progress has also been made in solving other historical problems concerning houses of Overseas Chinese. In rural areas, a total area of 6.3 million square meters of houses have been returned to Overseas Chinese for use. In cities, the ownership of a total of 2.5 million square meters of houses have been returned to Overseas Chinese and the right to use a total of 680,000 square meters of houses have also been returned to Overseas Chinese. In recent years, more than 17,700 outstanding returned Overseas Chinese and dependents of Overseas Chinese have been promoted to leading posts at and above county level. The problems of houses, children's schooling, and separation of husband and wife intellectuals who are returned Overseas Chinese or dependents of Overseas Chinese have also been solved in many places.

The meeting held that in order to fulfill the tasks in this and next year, it is imperative to further eradicate the influence of "left" ideology, especially to correct the wrongful prejudice toward "overseas relations," and develop the spirit of solving problems in a concrete manner.

The national meeting on implementing policies concerning Overseas Chinese affairs was held in Ningbo from 20 to 23 February.

CIRCULAR ISSUED ON DUAL PURPOSE PERSONNEL

OW231125 Beijing XINHUA Domestic Service in Chinese 1220 GMT 22 Feb 86

[Text] Beijing, 22 Feb (XINHUA) -- The State Council and the Central Military Commission recently issued a circular stressing that successful work in training and utilizing dual-purpose personnel is of vital importance to China's economic and national defense construction and a task which greatly benefits the party, the state, the Army, and the people.

In the circular, which approves and transmits a report on the national on-site experience-exchange meeting jointly sponsored by the Ministry of Civil Affairs and the PLA General Political Department on exploiting and employing demobilized dual-purpose personnel, the State Council and the Central Military Commission point out: The PLA and the local people's governments at various levels have done a great amount of work and achieved remarkable results over the past few years in training and utilizing dual-purpose personnel capable of performing both military and civilian services. Governments at all levels and the leadership at all levels in the Army should proceed from the overall interests, seriously study and plan this work, and make earnest efforts to strengthen leadership over it. All departments concerned should work out specific measures to support this work. The Army and the local governments should work in close coordination and integrate the training of personnel and their employment into an organic whole so that greater contributions will be made to national economic and defense construction.

In the report, the Ministry of Civil Affairs and the PLA General Political Department state: Since July 1984, when the experience of Sihong County, Jiangsu Province, in setting up employment agencies for demobilized dual-purpose servicemen was popularized by the Ministry of Civil Affairs and the PLA General Political Department, most localities in the country have attached importance to this work and soon adopted measures to develop it. According to incomplete statistics compiled by 23 provinces, autonomous regions, and municipalities, 1,110 counties and cities (districts) have established service organizations for demobilized dual-purpose personnel. They have recommended the employment of some 60,000 demobilized dual-purpose servicemen in rural areas. The training and employment of dual-purpose personnel have played a positive role in invigorating the rural economy, provided a major source of personnel for rejuvenating and strengthening the contingent of local grass-roots cadres, and promoted the improvement of PLA units, conscription work, and the building of socialist spiritual civilization.

To make the training and employment of demobilized dual-purpose personnel were widespread and have it yield better results, the report calls on localities to pay special attention to the following points:

1) Further unify our understanding of the great significance of training and utilizing dual-purpose personnel. 2) Strengthen departments at all levels in charge of placement work, further establish or strengthen service organizations, and do a good job in the employment of dual-purpose personnel. 3) Bring into full play local strong points in opening up more channels for and enlivening the work of exploiting and employing dual-purpose personnel so that the skills of demobilized dual-purpose servicemen are utilized to the fullest. 4) The Army and the localities should work in close coordination. The Army should attend to the training of dual-purpose personnel as a long-term task of military construction in the new period and do its best to bring about more and better dual-purpose personnel. Local governments at all levels should, while doing a good job in exploiting and utilizing dual-purpose personnel, take the initiative to enhance contacts with the military and adopt effective measures to actively cooperate with the military in training work. 5) Make earnest efforts to strengthen leadership and gradually expand the work of exploiting and utilizing dual-purpose personnel from selected points to the entire area. Governments at all levels should place this work on their agenda, study it regularly, and provide guidance. Localities which have not begun this work should pay close attention to trying out this work at selected points and gradually expand it to a wider areas. Localities which have already begun this work should further expand the range of utilization, increase the utilization results, constantly review experience, contribute new ideas, and see to it that the work is gradually institutionalized and standardized.

FORUM HELD ON GROWTH OF YOUNG INTELLECTUALS

OW240422 Beijing XINHUA Domestic Service in Chinese 1237 GMT 23 Feb 86

[By reporter Zhao Wei]

[Excerpts] Beijing, 23 Jan (XINHUA) -- "It is necessary to take the road of integrating theory with practice and study, temper ourselves and grow to maturity through practice." This is the conclusion reached unanimously by the participants at the forum on the growth of young intellectuals in the current era.

At yesterday's forum, sponsored by the State Education Commission and the CYL Central Committee, the representatives of lecture groups sent to various localities by central organs talked about the experience gained at the grass-roots level over nearly half a year. This views was shared by representatives of universities in Beijing and young cadres of central and state organs.

Song Defu, first secretary of the CYL Central Committee, spoke highly of the lecture groups comrades. He said: "They have honorably gone to various places and have done a good job." At the forum, many representatives of the lecture groups said that they were greatly moved and made gains during their short 5 months at the grass-roots level. Some members of the lecture groups are young people who started their government work right after graduation from school. Li Kexin, a member of the lecture group to Heilongjiang, said: We have mixed with the students in our daily work and have carried out investigations during the vacation. Through investigation, we have realized that the party's policy has taken root in the hearts of the people; we have seen the vigorous development of the excellent situation.

Yang Haibo, vice minister in charge of the State Education Commission, spoke with excitement at the forum. He said: The practice of the lecture groups has proven that the policies of the party Central Committee are correct. The older generation hopes that the young people will grow to maturity as quickly as possible. He hoped that young people and students would foster communist ideals, maintain close ties with the masses, acquire the viewpoint of serving the people, and be courageous in their practices. Song Defu, first secretary of the CYL Central Committee, hoped that the broad masses of young people would combine theory with practice, refrain from speaking in empty words, and mature through study and practice.

UNHEALTHY ADVERTISEMENTS TO BE CORRECTED

OW240408 Beijing Domestic Service in Mandarin 1200 GMT 22 Feb 86

[Text] Ren Zhonglin, director of the State Administration of Industry and Commerce, told reporters today that departments in charge of industry and commerce in various localities throughout the country are cleaning up and investigating advertising work with special emphasis on correcting the situation of worshipping or having blind faith in foreign things and practicing fraud.

Ren Zhonglin said: Advertising of a slanderous nature, violating policies and laws, and all advertising with reactionary, supersitious, lewd, or repulsive contents will be weeded out. All units handling advertisements on full time or concurrent basis and individual households engaged in designing and producing advertisements will be examined and consolidated. Operating an advertising business without approval by departments in charge of industry and commerce will be banned. It is necessary to take effective measures to correct unhealthy tendencies in advertising work.

He pointed out: At present, some news units and reporters have apportioned expenses in the name of disseminating information for various enterprises and some have collected commissions, demanded extra fees, and accepted feasts and gifts. We must correct all those practices. He asked all units handling advertising work to strictly observe state laws and advertising regulations, establish a sound advertising system, and make advertising and propaganda faithful, scientific, and reliable.

VICE MINISTER STRESSES QUALITY CONTROL

OW240036 Beijing XINHUA Domestic Service in Chinese 1532 GMT 22 Feb 86

[By RENMIN RIBAO reporter Dong Huanhao and XINHUA reporter Huang Fengchu]

[Excerpts] Nanjing, 22 Feb (XINHUA) -- Promoting comprehensive quality control is an important and urgent strategic task in our economic work during the Seventh 5-Year Plan period.

This is what Sheng Shuren, vice minister of the State Economic Commission, pointed out today at the fifth annual meeting of the Chinese quality control commission.

During the Sixth 5-Year Plan period, some industrial enterprises in China strengthened overall quality control and remarkably improved the quality of their products. Nearly 2,800 products were rated by the state as good quality products. However, most industrial enterprises were weak in quality control, and poor quality remained a conspicuous problem in their products. In order to comprehensively strengthen quality control, Sheng Shuren emphasized the following:

-- In order to arouse enthusiasm among workers and staff members for improving product quality, all trades and enterprises should carry out reform to link the wages and bonuses of workers and staff members to product quality.

-- Enterprises should set clear and definite quality objectives according to advanced international standards, and design, manufacture, and inspect their products according to quality objectives.

-- It is necessary to improve basic quality control, grass-roots organizations of enterprises and their work, and the basic training of workers and staff members.

-- It is necessary to improve macroeconomic control over the quality of products by gradually enacting laws governing quality control responsibilities, improving the quality appraisal system, actively promoting quality testing work, and firmly doing a good job in encouraging consumers' supervision, consulting, and diagnosis. From now on, the plant director should be held responsible for quality problems. The fifth annual meeting of the Chinese quality control commission was held in Wuxi City, Jiangsu Province, from 18 February to 22 February.

HU YAOBANG WRITES INSCRIPTION FOR MONUMENT

SK230312 Jinan Shandong Provincial Service in Mandarin 2300 GMT 22 Feb 86

[Text] The (Huxi) monument to revolutionary martyrs in Shanxian County was rebuilt recently. Hu Yaobang, general secretary of the CPC Central Committee, personally wrote an inscription for the monument. The monument was established in 1945 in memory of (Huxi) District's martyrs who died in the war of resistance against Japan. Over the past 40 years or so the monument has played a positive role in educating the broad masses of people to carry out the behest of the martyrs and to carry forward revolutionary traditions.

CHEN YUN CALLS FOR ATTENTION TO RETIREES

OW212332 Shanghai JIEFANG RIBAO in Chinese 16 Feb 86 p 1

[Text] According to a TIYU BAO report, Comrade Chen Yun recently said: There are 80 million old retired cadres and workers in China. How to provide for them, give them a happy retired life with proper recreation, and make them into something useful has become a matter meriting society's attention. He said: Being advanced in age, old people should pay attention to taking good care of themselves physically and mentally. They should live a regular life and take part in activities beneficial to both physical and mental health. He wrote an inscription, "Serve the Old People," to call on all of society to show concern for old comrades.

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11. Convention for the Protection of the Cultural and Natural Legacies of the World (23 November 1972)

12. Message from the CPC Central Committee and the State Council Congratulating Baoshan Iron and Steel Complex on the Completion of the First Phase of Its Project (24 November 1985)

13. Circular of the State Council General Office on Strengthening Control Over Advertisements (15 November 1985)

14. Premier Zhao Ziyang's sympathy message to President Betancur on Colombia's Volcanic Eruption (16 November 1985)

15. Detailed Rules of "Provisional Regulations on Bonus Tax For Business Institutions" (15 November 1985)

RUI XINGWEN ARTICLE ON SHANGHAI RURAL ECONOMY

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[Article by Rui Xingwen: "Shanghai's Rural Economy Being Integrated With the Urban Economy in the Course of Reform"]

[Text] What is the actual situation and what is the trend of development of reform in Shanghai's rural areas? This is a question people in both the urban and rural areas are concerned about. From the investigation and research Comrade Jiang Zemin and I have separately conducted during our recent tour of 10 suburban counties, and from the written materials we have read, we get the strong feeling that: The economic situation in Shanghai's rural areas is good, and so is the situation in reform. The rural economy of Shanghai's suburban areas is being integrated with the urban economy in the course of reform.

Three Foundations for the Integration of the Rural and Urban Economies

There are mainly three foundations for the ongoing integration of Shanghai's rural and urban economies:

First, geographically, the trend toward merger and mutual infiltration between urban and rural areas has become more and more distinct. Some 65 percent of the village and township industries in the suburban areas are subsidiaries of Shanghai's large industrial companies. Fifteen percent of them serve foreign trade and export. Many factories are in fact branches or workshops of the large factories of Shanghai. The village and township industries have bcome inseparable components of Shanghai's industry as a whole. Currently, the factories in the city have set up nearly 500 operations in the suburban areas, employing about 500,000 workers and turning out products worth roughly 12 billion yuan a year. There are also many scientific research institutes, universities, and colleges in the surburban areas. With the expansion and transformation of the city and the planned dispersion of the population, the geographical links between urban and rural areas will certainly become even more distinct.

Second, the interdependent relations between urban and rural areas will become closer and closer as far as markets are concerned. The mutual support between industry and agriculture on the one hand, and between urban and rural areas on the other, finds expression chiefly through the exchange of commodities. At present, much of the farm and sideline produce supplied to Shanghai comes from the suburban areas. Peasants in the suburban areas produce, on less than 5 million mu of cultivated area, about 50 percent of the grain consumed every year by the 12 million people of the city and about one-third of the cotton needed by the city's cotton mills. The peasants produce more than enough edible oil to supply the entire population of the city. They also provide 60 to 70 percent of the hogs, poultry, eggs, and other nonstaple foodstuffs sold every year in the city. Vegetables, fresh milk, and most of the freshwater fish are also supplied by the suburban areas. According to a rough estimate, the total value of commodities exchanged in Shanghai's urban and rural areas was more than 5 billion yuan in 1985, of which farm and sideline produce supplied by the suburban areas to the city was worth about 2 billion yuan, while manufactured goods supplied by the city to the suburban areas were worth about 3 billion yuan. Following the reform of the system of unified and assigned purchases of farm and sideline produce, the relations between production in the suburban areas and Shanghai's markets have become closer and closer. At the same time, it has become more and more necessary for the relations between the urban and rural areas to be linked up by economic contracts.

Third, as far as economic ratios are concerned, the city will become increasingly dependent on the suburban areas if it wants to increase production, increase financial revenues, earn foreign exchange, and achieve quadruplication. The total value of industrial and agricultural output of the surburban areas was 15.7 billion yuan in 1985, or 17.8 percent of the city's total. During the Sixth 5-Year Plan period, the city achieved a net increase of 26.2 billion yuan in output value, of which the suburban areas were responsible for 8.7 billion yuan, or 33 percent. In 1985, financial revenues of the 10 suburban counties were 2 billion yuan, accounting for 11 percent of the city's total local revenues. This was a remarkable increase over 1980, when they were only 5 percent. In 1985, goods worth 1.6 billion yuan were purchased in the suburban areas for export, accounting for 16 percent of all the export goods purchased by the city. The suburban areas were responsible for half of the net increase of export goods procured by the city during the Sixth 5-Year Plan period. According to a preliminary estimate, the total annual industrial and agricultural output value of the suburban areas will reach 25 billion yuan by 1990, a net increase of 10 billion yuan over 1985 and accounting for about 20 percent of the city's total industrial and agricultural output value. By that time, the financial revenues turned over to the state by the suburban areas and the total amount of export goods procured there will both reach about 3 billion yuan.

All this fully shows that the suburban economy has become an important part of Shanghai's current productive force and an important force for the achievement of quadruplication in Shanghai. In other words, Shanghai's rural economy has been integrated into an organic whole with the urban economy, and the suburban areas have become indispensable for achieving Shanghai's economic prosperity.

Integration of Shanghai's Urban and Rural Economies Is Natural Outcome of Intensified Rural Reform

Then, how has Shanghai's rural economy been integrated with its urban economy? We may say that the peculiar position of Shanghai's countryside determined that such integration was possible, and that the stepped-up rural reform provided a condition for possibility to become reality. Shanghai countryside is very close to the nation's biggest economic center. The Shanghai's countryside's economic development relies on and, in turn, serves Shanghai City. This special feature of the Shanghai countryside clearly distinguishes it from the vast countryside of the whole nation. This means that the Shanghai suburban economy should be closely linked and integrated with the economy of Shanghai City, and that production of all industries in Shanghai's countryside should be more specialized, commodity-oriented, and modern. Such is the requirement which reality imposes on Shanghai's rural economy. The success of the first-step reform and the sound development of the second-step reform in the suburban countryside made it possible for this requirement to be gradually fulfilled. Integration of Shanghai's urban and rural economy is the natural outcome of intensified rural reform.

People can clearly see that first-step reform, with the contract responsibility system linked with output as the main content enforced in Shanghai's countryside, has been markedly fruitful. Following the guidance of the party Central Committee's Document No 1 of 1983 that "family operations based on household contracts are merely one of the cooperative economy levels," and proceeding from the reality of the economically developed areas, all Shanghai's rural counties respected the peasants' wishes and boldly let the masses select the most suitable form of operation for themselves. There was a commonality in all responsibility systems in Shanghai's suburbs; they all did away with slapdash production and an equal share in distribution, and aroused the peasants' enthusiasm for production, thereby once more emancipating productive forces in the countryside.

As rural labor productivity, productivity of cultivated land, and the commodity rate of farm and sideline products were constantly on the rise, a labor force of some 600,000 in Shanghai's suburbs has been separated from farming work in line with the contract system linked with output. This has paved the way for a readjustment in the structure of agricultural production.

Since last spring, second-step reform, with that of the monopoly purchase of farm and sideline products and readjustment of the structure of agricultural production as the main content, has been soundly developing in Shanghai's countryside. Realistic and steady, our reform of the monopoly purchase system has further invigorated the suburban economy. Readjustment of the structure of agricultural production in our suburbs was comparatively fast, thereby prompting the transfer of the countryside labor force. However, this was different from what would have happened in capitalist countries. In those countries, once emancipated from farming, the labor force would have all swarmed into the cities. Such a form of labor force transfer was obviously not suitable for our country's conditions. The population in this big city of Shanghai is already huge. If the European and American way had been followed, we would have faced such serious social problems as an "overloaded city" and a "population explosion." The surplus rural labor force could not swarm into the city and yet it had to find some way out; this logically led to readjustment of the structure of agricultural production, a new problem the second-step rural reform was to solve. Now, we have solved this problem more or less satisfactorily. That is to say that the surplus rural labor force has been assimilated locally. The labor force structure in Shanghai's countryside in 1985 was that 40.6 percent were working with industrial enterprises and 15.6 percent with diversified economic projects, commerce, construction, transport, and service trades. Thus, workers with secondary and tertiary industry accounted for 56.2 percent of the total rural labor force and only 43.8 percent were farming. Of the 1985 total rural economic output value, farm and sideline output value accounted for 20.1 percent, that of town and township enterprises, 79.9 percent, or 8.8 billion yuan. In the past, we would designate a country as industrialized if its total industrial output value was over 51 percent [of its total industrial and agricultural output value]. If the same yardstick could be used now, Shanghai's countryside might be designated as "industrialized countryside."

It is gratifying to see that during the past few years new groups have been formed in the use of manpower, intellectual resources, funds, and means of production in growing crops and breeding animals and fowl; and that large and joint households are beginning to have more land, draft animals, and fowl after the surplus manpower enters secondary and tertiary industries. This is a prototype of Chinese-type family farms, reflecting the emphasis on scale, science, and efficiency in agricultural development in suburban Shanghai. It shows the prospects for promoting specialization, turning out more commodities, and modernizing agriculture in Shangahi.

Right now, more than 4,400 specialized households have emerged in Shanghai's rural areas. All of those specialized households are fairly large in scale. Each household specialized in growing crops contracts for an average 27 mu of arable land. Of these, an average household specialized in growing grain contracts for 30.5 mu, 6.3 times the 4.2 mu of arable land contracts by an ordinary farming household. A specialized household's average investment in production is 9.3 times higher than that of an ordinary farming household. The fixed assets of an average specialized household are 20.1 times higher than those of an ordinary farming household. This type of system will definitely yield fairly good results. First, it will yield high economic results. The average per capita total income in a specialized household is 2.6 times of that of an ordinary farming household.

The per capita pure income in a specialized household is 52 percent higher than an ordinary farming household. It is also higher than an average worker's income in the suburban area. Next, this system will yield high social results. The tax paid by an average specialized household and average person in the household to the state is 6.1 and 6 times higher respectively than those of an ordinary farming household. The collective profits turned over to the state by an average specialized household and an average person in the household are 5.3 times and 5.1 times higher than those of an ordinary farming household. The grain crops produced by a farmer in a farming household each year are enough to feed 3 to 4 persons a year, while the grain crops produced by a farmer in some of the households specialized in growing grain crops are enough to feed 30 to 40 persons a year.

Farming on a large scale will inevitably bring about a scientific approach, hog raising, for example. Originally, hogs were fed three times a day. Right now, hogs in households specialized in hog raising are given a compound feed using mechanized devices, so hog raising is more scientific than before. Growing crops and breeding animals on a large scale will inevitably bring specialization to the entire countryside. At the same time, specialization in production on a large scale is also an important prerequisite in commercializing the farm and sideline products. The emergence of "villages of specialized households" of all kinds in Shanghai's rural areas is a major event of great significance. This tendency toward development is encouraging. From now on, a new kind of integration will take place in the countryside on the basis of specialized households, in the form of cooperative economy. For example, on the surface the villages of specialized households are operated by individual families and households, but they have integrated with each other through the farm and sideline products companies. Therefore, cooperative economy in the future will no longer be like cooperation in the past, in which properties were merged and collective labor was organized. Many new and realistic forms of cooperation will definitely emerge.

In summary, we realize that the new situation in carrying out rural reforms, and the new changes in the setup of production have made Shanghai's rural economy march toward the path of integrating rural economy with urban economy. This is an inevitable development trend. It demands that people use new knowledge and new concepts to analyze and study issues in the countryside. It should be realized that Shanghai's rural economy is no longer the traditional natural economy, but commodity economy on a considerable scale. It is no longer a simple form of economy that involves the agricultural sector, but a form of diversified economy in the rural region. It is different from the ordinary rural economy in the interior of the country, but a type of "suburban economy" that integrates urban economy with rural economy. It is no longer a "closed" economy, but an open one that "introduces investments from abroad and establishes lateral ties at home." Therefore, those comrades doing rural work as well as those doing urban work must understand this new trend under the new situation in the suburban areas, and firmly establish the concept of integrating urban economy with rural economy. If we fail to rejuvenate this concept in time, our ideas will fail to keep pace with the situation; our work will be unrealistic; and it will be impossible for us to correctly handle the relations between workers and peasants and between urban areas and rural areas under the new situation.

Continue To Stand Firm on "Two Footholds" and Devote Great Efforts to the Two Weak Links of Grain and Forage Crops

The strategic priority of developing Shanghai rural economy based on the concept of integrating urban and rural economies requires the supply of a wide variety and adequate amount of high-quality fresh and live nonstaple food products.

For this reason, on behalf of the municipal CPC Committee, I proposed last July at the municipal agricultural science and technology award meeting that agriculture in the suburban areas should "stand firm on two footholds." That is, peasants in the suburban areas should be self-sufficient in food grains; supply of nonstaple foodstuffs to the city should be based mainly on the suburban areas. After standing firm on the two footholds, they can then open up and develop in other areas. The proposal was made because only when the problem of foot grains is solved can the peasants conscientiously engage in the production of nonstaple foodstuffs. Moreover, the production of fresh and live nonstaple foodstuffs, primarily stock farming and fish raising, consumes large amounts of forage crops. Judging from the current situation and development of Shanghai's rural economy, grain and forage crop are indeed weak links. We must give adequate attention to the situation.

Shanghai is one of the major grain consumers of the nation. Its population of 12 million requires about 10 billion jin of food and industrial grain every year. In the past the state has always allocated half of that amount, with the other half supplied by suburban areas. Although grain production in the suburban areas has been affected by the requisition of some farmlands every year as a result of Shanghai's urban development, the countries along the river and the coast like Chongming, Nanhui, Fengxian, and Jinshan still have potential for reclaiming farmland from marshes. All in all, the requirement for the suburban areas to be self-sufficient in food grain is unshakable and entirely possible.

We should understand that self-sufficiency in food grain for suburban peasants itself is a changing concept, because the population in the suburban areas is continuously increasing. It is estimated that by 1990 the rural population will increase to nearly 5 million from the current 4.44 million. At the same time, population in the city proper will also increase. The total population of the entire city is forecast to increase to 13 million from the current 12 million by 2000. Calculated on the basis of the current consumption level, the grain consumption, including grains used for the production of pork, poultry, and eggs, will be about 800 and 900 jin. This does not even include the needs of the floating population. Therefore, the demand for the grain ration in the city proper and forage crops in the suburban areas will also increase correspondingly.

In view of the two weak links, grain and forage crops, in the economic development of the suburban areas which we can ill afford to ignore, we must pay attention to solving the following problems: First, readjust the agricultural structure. In the short run we must closely focus on and submit to the general requirements of "standing firm on the two footholds." In readjusting agricultural structure, suburban areas must uphold the guideline of "stabilizing grain, readjusting cotton, ensuring vegetables, and developing forage crops and economic crops demanded by the market." This guiding ideology is correct. We should see to it that grain production increases while we ensure stability and that the acreage for forage crops is increased in a planned manner. Second, we should adopt a policy to encourage peasants to produce more grain and forage crops. Not long ago, the central rural work conference adopted relevant regulations. Shanghai should also work out some appropriate policies. For example, by self-sufficiency in grain, we mean that the 10 suburban countries should make up the other's deficiency. There should also be appropriate policy for allocating grain so as to mobilize the enthusiasm of Songjiang, Jinshan, and Qingpu Counties for grain production. Moreover, corn is currently procured for 0.12 juan a jin in Shanghai while corn procured at negotiated prices outside the city is 0.23 yuan a jin. Is it possible for the procurement prices in Shanghai to be appropriately raised so as to mobilize the peasants enthusiasm for growing forage crops? Third, the soil of state farms along the river and the coast is very salty. Preferential policy may be adopted to encourage them to grow forage grass. Nearly 300,000 mu of cultivated areas on suburban state farms have great potential for increasing forage crops and growing forage grass. We should further study this question to see, on the basis of respecting science, which policy or technical measures we may adopt to tap the potential of the soil.

In Developing a Comprehensive Rural Economy, We Must Not Slacken Development of Village and Town Enterrpises and Must Unswervingly Implement the Policy of "Subsidizing Agriculture With Industry"

Earlier, the theoretical circle and those doing practical work in China had launched a heated debate on the issue of "prosperity is impossible without industry." Regarding this controversial issue on the direction of development for the rural economy, a correct conclusion has been reached at the recent central rural work conference. After summarizing the view of those present, Premier Zhao decided: "Such views as 'prosperity is impossible without industry,' 'a stable economy is impossible without agriculture,' and 'a vigorous economy is impossible without commerce' are correct." We need to reach a better common understanding on this issue.

Village and town industry in suburban Shanghai is a natural outcome of the integration of the urban and rural economies, and promises high hopes of success. It is also an essential precondition for implementing the policy of "subsidizing agriculture with industry." So we must not weaken, but further develop this industry. In reviewing the history of the development of village and town industry in suburban Shanghai, it is abundantly clear that it relies upon, develops alongside, and serves the large industries in Shanghai Municipality. In the future, large industries in the municipality will still require the service of village and town industry for their further expansion, as well as sharing processing and other ancillary functions. Mutual interdependence between the urban and rural areas has opened up broad prospects for the development of suburban village and town industry. Proceeding from the viewpoint of promoting an integrated and coorcindated development of the urban and rural economies, it is not hard to perceive the need to take seriously, and further enhance, village and town industry.

We must also note that energetic development of suburban village and town industry is an important means to accumulate funds, increase input into agriculture, and invigorate the rural economy. As we all know, agricultural production is also a process of input and output. In the state of a small-scale peasant economy, farm production chiefly relies on the input of human and animal labor, because of its small production scale and its backward production mode. However, following transformation of China's traditional into a modern agriculture and from a natural into a commodity economy, it is increasingly necessary to use mechanical labor. For instance, more investments are necessary for waterworks, transportation, warehouses, energy, chemical fertilizers, farm machinery, science, and technology. Aside from fund accumulations from agriculture, more economic assistance is needed. In view of the numerous tasks undertaken, it is currently impossible for the state to make massive financial input into each sector. Under such circumstances, vigorous development of village and town industry has become an important means to accumulate funds, increase input into agriculture, and invigorate the rural economy. Prior to large-scale development of village and town industry in suburban Shanghai, the annual public accumulation of the commune, the production brigade, and the production team was only 80 million yuan, mainly derived from agriculture. In 1984, however, public accumulation rose to 710 million yuan, among which 660 million yuan was derived from village and town industry. Addressing the central rural work conference, Comrade Zhao Ziyang said: "The peasants would not be able to make so much material input and achieve such high output solely by relying on crop cultivation." He also added: Industrial development "can increase income, support agriculture and grain production, and raise input and output, thereby developing the rural economy." In the past, we have taken the road of developing village and town industry for accumulating funds and input for agriculture. We must, hence, firmly follow this course in future.

Some comrades are afraid that "while industry is developed, agricultural production will decline." As a matter of fact this worry is unnecessary. The recent central rural work conference has put forward the policy of "subsidizing agriculture with industry." "Subsidizing agriculture with industry" indicates very clearly the relationship between developing village and town industry and making a success of agriculture. The conclusion that Comrade Tian Jiyun has arrived at after his inspection of the rural areas of Xiaoshan, Zhejiang, is: "Village and town industry should not be allowed to decline. If it declined, agriculture would also decline." As can be seen, the question is not that agriculture would decline with the development of industry, but rather that failure to develop village and town industry would cause a decline in agriculture. Let us look into the actual situation in the suburbs of Shanghai. From 1981 to 1985, village and town industry in these suburbs paid wages totalling more than 5 billion yuan to commune members engaged in industrial production, accounting for over 50 percent of the suburban peasants' total income. The amount of funds used by village and town industry to support agricultural production and the industrial profit given to farm laborers to "share", totaled 765 million yuan. This was 16 percent of the total profit earned by village and town industry and some 100 million yuan more than the total amount spent by state, municipal, and county financial departments in support of agriculture. During the Sixth 5-Year Plan, agriculture in the suburbs grew at an average rate of 16 percent annually. One of the major reasons for this was that we "subsidized agriculture with industry." To carry on the sustained, steady, and coordinated development of agriculture in the suburbs, we must continue to implement the policy of "subsidizing agriculture with industry."

In accordance with the guidelines of the instructions in the proposal for the Seventh 5-Year Plan that "in the light of the actual needs and their own potential, economically developed rural areas may direct their processing industries to large industry and exports," we should continue to do our best to expand large urban industries, based on the needs of urban-rural economic integration. At the same time, village and town industry in the suburban areas should, in the course of continued development, overcome past shortcomings and pay attention to effecting several changes, namely: 1) Regarding the funds for developing village and town industry, the practice should be changed from relying excessively on bank loans to relying mainly on enterprises' own accumulated funds; 2) the practice in developing production should be changed from attaching importance to "extension" [wai yan 1120 1693] to relaying mainly on "intensive" means; and 3) in operations and management, enterprises should led to tap their internal potential and strive for greater economic results, instead of looking to the higher authorities for power and money.

Further Facilitate the Circulation of Commodities and Promote the Intensive Development of the Second Step of Rural Reform

The circulation of commodities plays the role of a bridge in building the urban-rural economy and achieving economic integration of urban and rural areas. It serves as a link in developing rural production and meeting market demands. Rural areas in suburban Shanghai are now changing the previous practice of selling whatever they produce to market-oriented production. This is a significant indication of the closer economic link and interdependence between our urban and rural areas. In the circulation of commodities, however, there are still certain obstacles unfavorable to the development of the urban-rural economy. This problem has become more striking in the second stage of rural reform. It must be systematically resolved, through the joint efforts of urban and rural areas, by reforming the commercial system.

Then, what should we do to unclog the cnannels between urban and rural areas in order to further facilitate the circulation of commodities?

In the first place, there should be a relatively stable contract system for purchasing agricultural and sideline products. Now, our rural economy is a commodity economy. The demands in urban areas, the change in market conditions, and the market mechanism guided by the state plan have begun to direct the peasants' commodity production. This direction or guidance is effected through the signing of purchase contracts between the state-operated commercial departments and the peasants. As reflected by the peasants, the current purchase contract system has two main drawbacks: First, contracts are not signed on the basis of the characteristics of production. Since they are very rigid and are signed for the purpose of buying "a fixed quantity at a fixed time and a fixed price," they are often hard to fulfill. Second, when there are more supplies, contract terms are often not complied with; when the supplies are scarce, purchases are made forcibly. In the future, contracts for purchase of agricultural and sideline products should be signed for a period of several years and kept relatively stable so that the peasants can arrange their production work in a planned way. Once a purchase contract has been signed, neither party should change it at will; that is, the serious nature of the contract should be maintained. To sum up, it is imperative to link the demands of the urban market with nonstaple food production centers and other agricultural production units in suburban areas through the implementation of an effective contract system.

In addition, it is necessary to adopt the method of integrating urban and rural areas and combining indigenous and foreign resources to strengthen measures for the storage and regulation of non-staple foods, thereby relieving the incongruity between the periodical and seasonal cycles of production and the balance of supply. For agricultural and sideline products purchased under contract, especially for fresh or live products, it is necessary to strive to succeed in setting up direct meetings between production and marketing units, organize smooth circulation, and reduce transferring links. For rural cooperative economic organizations, it is necessary to positively open up circulation channels and carry out multi-level business activities and multi-channel circulation. In these aspects, the many counties on the outskirts each have some good models. This explains that, in enlivening circulation, the outlying areas have much to accomplish. In order to do a still better job in developing the urban and rural economy, it appears that it will be imperative to formulate a policy conducive to unifying the urban and rural areas where further enlivening of circulations is concerned.

Strengthening the Construction of Towns on the Outskirts, Preventing Pollution of the Rural Environment

As far as Shanghai's outskirts are concerned, strengthening the construction of counties and small towns below the county level is an important facet to promote the unification of the urban and rural economy. This is because the densely scattered small towns are rural economic, cultural, and political centers on the outskirts. They are the middle levels which connect the large Shanghai city with rural areas on its outskirts, the bases for major industries to expand themselves to the areas on the outskirts, and the hubs for unifying the urban and rural areas. Therefore, this issue deserves our closest attention.

Shanghai has the largest number of towns in the country. According to statistics, there are a total of 530 large and small towns, including 26 county-controlled towns, 183 townships and farm counties, and 321 village towns. The output value of these counties accounted for approximately two-thirds of the outskirts' total industrial and agricultural output value. In the past few years, the towns on the outskirts of Shanghai have actually developed to a certain extent, and relatively rapid development has especially been made by some economically-developed townships. We should make the best of the situation, sum up our experiences, map out plans, and grasp well the construction of towns on the outskirts.

In my opinion, the strategic target for the development of Shanghai's towns, as proposed by the special-topic town research group of the Shanghai Academy of Social Sciences, is reasonable. This strategic target is to build the towns on the outskirts into new zones, integrating urban and rural areas, and at the same time turn them into microminiaturized cities and improved rural areas. They will be Shanghai's new civilized and affluent socialist outskirts with industrialized rural areas, urbanized society, and an afforested, park-like environment. In the meantime, a mult-component city will be formed in an area of over 6,000 square kilometers with the central city as the main body and towns on the outskirts operating independently and keeping contracts with each other. They should possess solid economic contents, rational economic structure, healthy social conditions, and fine ecological systems. Proceeding from this general target, the first thing is to strengthen the economic construction of these towns, the second is to develop the social facilities of these towns, and the third is to protect the ecological evnironment of these towns. To this end, the municipal people's government has demanded that all counties complete the formulation of village and town construction plans in 1986 and that such work must be firmly carried out. To undertake the construction of towns as a whole, it is necessary to carry out scientific planning and build official business zones, industrial zones, afforested land, cultural centers, and other different zones in accordance with the geographical environments. Construction on the land and underground should be carried out at the same time, and efforts should be made in architecture to combine practical use with beautiful appearance. It is imperative to stress science in formulating construction plans, and efforts should also be made to embody local styles and characteristics.

In the construction of village towns, it is imperative to strictly control unscrupulous occupation of arable land and conscientiously prevent pollution, especially pollution of water resources. No enterprises should be built without pollution treatment facilities. A water pollution treatment facility is mandatory in town construction. Currently, some treatment methods are available which require small investments but produce good results. It is imperative to do a good job in protecting water resources from pollution since it is a major issue that bears on the physical health of the municipality's 12 million people.

All Trades and Professions in the Municipality Should Go All Out To Support Suburban Economic and Cultural Work.

Comrades doing rural work in the suburbs should have the concept of urban-rural economic integration. The same concept should also be upheld by those engaged in urban work. Particularly today, under the new circumstances where urban and rural reforms have merged with each other, the relationship between urban and rural areas is closer than ever, and it is more important for the former to support the latter. When drawing up their policies and plans and considering steps to be taken in their work, all departments in urban areas should uphold the concept of urban and rural economic integration in the interest of the whole. Shanghai has a good tradition of urban areas supporting rural areas. This tradition must be brought into full play.

First, we must continue to cuccessfully support rural areas with science and technology. The central authorities have pointed out in a document: "Science and technology must serve the rural economy, while the development of the rural economy must rely on science and technology. This should be regarded as a principle and given prominence." Since the 3d Plenary Session of the 11th CPC Central Committee, scientific research units and institutions of higher learning in Shanghai have made headway in "supporting rural areas with science and technology." Our rural cadres have said: "Science and technology personnel are 'gods of wealth' most welcome by the peasants, and they are meritorious people in enlivening the suburban economy."

This comment represents our high evaluation of intelligence used by our science and technology personnel in supporting rural areas. In the new year Shanghai should strive to reach a new level in the work of supporting rural areas with science and technology. More efforts should be devoted to the research and popularization of agricultural science and technology. Emphasis should be placed on developing new crop strains and animal breeds, new technologies, new machines and tools, and new materials so as to continually improve agricultural and sideline production quantitatively and qualitatively. Village and town enterprises should be beefed up using science and technology. Earnest efforts should be made to implement the "spark plan" formulated by the municipal science and technology commission and to provide village and town enterprises with complete technological know-how, managerial procedures, product designs, and methods for quality control so as to improve the competitive edge of village and town enterprises in Shanghai's rural areas.

Second, we should successfully promote cultural, education, and public health work in support of rural areas. The past few years have seen contributions by the cultural, education, and public health fronts of our municipality in support of agriculture. The education front has trained a lot of middle- and high-level technical and managerial personnel for rural areas. Statistics show that some 2,700 backbone technicians have been trained for village and town enterprises in the suburbs by the Shanghai University of Science and Technology, and East China College of Chemical Engineering, and 16 other institutions of higher learning through their properly oriented training programs. Last year some 600 tuition-paying college students, trained by institutions of higher learning at the request of rural areas, graduated and returned to rural areas. In the meantime, a great deal of work in support of rural areas has been done by the medical, public health, and schistosomiasis-prevention fronts. It is hoped that our comrades on the cultural, education, and public fronts will continue to exert themselves and do a still better job in supporting rural areas.

As ours is the largest industrial city in the country, we should also make earnest efforts to support rural areas with industry. Industrial departments should continue their assistance in the development of village and town industry and support the feed industry that is now urgently needed and should be vigorously developed in rural areas. The municipal CPC Committee and people's government have now decided that investment in nonstaple-food production should be focused on the feed industry. Urban industrial departments are requested to make more contributions to the development of this industry. Additionally, it is imperative to resolve to develop the farm machinery industry and successfully solve the "longstanding, big, and difficult problems" in suburban areas of production and supply of farm machines and their parts. Failure to develop the farm machinery industry as quickly as required will adversely affect further changes in the use of farm laborers, readjustment of the rural production structure, and improvement of agricultural labor productivity. Comrades on the urban industrial front should take the peasants' urgent needs as their own urgent needs and make further efforts to develop the farm machinery industry.

It Is Necessary To Give Power to Counties and Boost Counties' Overall Leadership Over Rural Economy

For rural areas, in order to realize the integration of urban-rural economy, the key lies in boosting the counties' overall leadership over the rural economy. Comrade Wan Li said: "Practice in recent years has proven that a county is a combination of urban and rural areas and also a combination of microeconomic and macroeconomic activities. It can play a comprehensive role and is a very important key." His remarks provide practical and significant guidance for us, especially Shanghai's suburban counties. He also said: "We must delegate greater power to the county level in decision making.

If the country lacks power in making decisions, the overall leadership over the economy will be only empty words, so giving full play to local advantages in the spirit of seeking truth from facts will also be empty words. Since we now want to strengthen the work of scientific research, education, transportation, communications, building small towns and that of other fields, the county level should be able to coordinate and solve micro-economic problems in a prompt manner according to the actual situation. This is very important because the county level is the leading organ closest to peasants' production and daily activities. However, some unreasonable regulations in our current system often fetter counties' creative power and their ability to solve problems independently. His sincere words and earnest wishes merit our deep attention.

The imporance of further delegating power to counties in the course of reform has been mentioned by Comrade Wan Li. Now, in Shanghai, our problem is how to implement this guidance.

According to our understanding, various counties generally want to expand their power in five respects, namely the power of land administration, the power to review and approve new enterprises, the power of revenue-sharing, the power to review and approve the reduction of taxes for village and town enterprises, and power to make decisions in foreign trade to a certain extent. Concerning the five powers, I think the crucial one is the financial problem. The country's financial system was implemented in the last year on trial basis. The method is "fixing a basic figure and sharing surplus revenue." The counties support this method. Shall we continue last year's method in 1986? I think we should continue this method. Moreover, we should give appropriate assistance to some counties with relatively weak economic foundations. On this question, a central leading comrade has pointed out: "The 800 million peasants are not only the most active productive force and the source of our wealth, but also a vast market which provides us with an extremely important condition for developing commodity production in urban and rural areas. We must attach importance to developing production and establish a new system of integrating the urban and rural economy in order to give full play to their initiatives. It is wrong to consider them a burden in consumption or as objects for extracting contributions. In this way we will fall into a passive position." We must consider this basic point of view in solving our financial problem.

In addition to financial power, we should delegate all powers to the counties as quickly as possible according to the clearly defined regulations in central documents. For instance, concerning the problem of too many taxes being paid by village and town enterprises in Shanghai's suburban counties, the Shanghai Municipal CPC Committee and the Shanghai Municipal People's Government have agreed to adopt the following two measures: One is to stabilize the basic tax burdens of village and town enterprises and the other is to implement the central regulations on tax reduction for village and town enterprises and delegate power to the counties in this regard within certain limits.

Of course, the leading comrades of various counties should properly use their power after the expansion of their decision-making power. They should truly use this greater power for developing production and increasing tax sources. We should establish special funds to support agricultural production and modernization. At the same time, we should give proper guidance to various townships for establishing a sound financial system, pay attention to studying methods of making, saving, and spending money in an appropriate way, accelerate the development of agriculture, side occupation and industrial production in Shanghai's suburban areas, and promote the stable development of Shanghai's rural economy on the road of integrating the urban and rural areas.

YANG XIZONG COMMENTS ON HENAN PLA, MILITIA WORK

HK220343 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 21 Feb 86

[Text] According to HENAN RIBAO, on 19 February leading comrades of the provincial CPC Committee Yang Xizong, Liu Zhengwei, He Zhukang, and Zhao Di went to the provincial military district to listen to reports on work and look into the transfer of People's Armed Forces departments and the resettlement of demobilized cadres.

Henan Military District Commander Zhan Jingwu and political Commissar Dong Guoqing delivered reports on behalf of the Standing Committee of the military district CPC Committee on the situation in PLA and militia work in the military district last year and on the main tasks for this year. They focused on reporting on doing a good job of transferring the People's Armed Forces departments and resettling demobilized cadres.

Comrade Yang Xizong said: The transfer of People's Armed Forces to local authorities is a glorious task assigned us by the CPC Central Committee and the Central Military Commission. It is a major affair both for the Army and the local authorities. We must make a success of this work. Local CPC committees and government at all levels must enthusiastically support the effort to make a success of this work, take the initiative to grasp ideological and political work in the course of the transfer, make proper arrangements for resettling surplus and demobilized cadres, and help them solve practical difficulties. In accordance with the central regulations, local departments may not take or occupy, under any pretext, People's Armed Forces department barracks or facilities, or militia training grounds.

The militia should play a leading role in three aspects: 1) in doing a good job in militia and reserve service building; 2) in promoting the building of socialist spiritual civilization in the rural areas; 3) in vigorously developing commodity production and leading the peasants forward to get rich together.

Comrade Yang Xizong stressed in conclusion: The local authorities should vigorously support the PLA in carrying out streamlining and reorganizing, and take the initiative in solving difficulties for the PLA units. We also hope that the PLA comrades will actively take part in building the two civilizations in the localities, further promote PLA and militia work, and work together to create a new situation in work in the province.

HU YAOBANG CONGRATULATES HENAN CITY ON SUCCESS

HK210956 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 19 Feb 86

[Text] Comrade Hu Yaobang recently instructed the Secretariat of the General Office of the CPC Central Committee to write a letter to Pingdingshan City congratulating the city on doubling the total industrial and agricultural output value, profits, taxes, and revenue 5 years ahead of schedule, and expressing the hope that the city will make further contributions during the Seventh 5-Year Plan period.

Pingdingshan City is a new industrial city developed after the founding of the PRC. The total industrial and agricultural output value of the city in 1980 was only 1.35 billion yuan. During the Sixth 5-Year Plan period, in accordance with its local conditions, Pingdingshan City set the target of doubling its industrial and agricultural output value by 1985.

Comrade Hu Yaobang has been very concerned about the construction and development of the city. While inspecting the city in 1984, he gave an important instruction on economic development in the city. In March 1985, Comrade Hu Yaobang wrote a letter encouraging the people of the city to resolutely carry out reform and strive to attain the target of doubling its industrial and agricultural output value at an early date.

Comrade Hu Yaobang's instruction greatly inspired and encouraged the people of Pingdingshan City. They seriously summed up their experiences and proposed the slogan of paying no lip service and doing practical things. They earnestly implemented the ideological line of seeking truth from facts put forth by the CPC Central Committee, and formulated the policy of developing the city's economy in a comprehensive way with stress on energy exploitation. First, they exerted efforts to fulfill priority projects and technological transformation items on or ahead of schedule. Second, they firmly grasped the development of local industry and collective enterprises. Third, they developed lateral economic ties; carried out multi-tier economic and technological cooperation; and actively brought in technology, talented people, funds, and equipment. Fourth, they adhered to the principle of urban areas bringing along rural areas and rural areas supplementing urban areas, in order to encourage urban and rural areas to develop and prosper jointly. They also vigorously strengthened ideological and political work and the building of spiritual civilization, resulting in a marked improvement in public order, general social mood, party style, and the style of cadres.

With the strenuous efforts made by the people of the whole city, the city's industrial and agricultural output value in 1985 was 2.75 billion yuan, its profits and taxes delivered amounted to more than 400 million yuan, and its revenue exceeded 200 million yuan, thus fulfilling the doubling target 5 years ahead of schedule. On 22 January this year, (Duan Songhui), secretary of the Pingdingshan City CPC Committee, wrote a letter to Comrade Hu Yaobang reporting this good news.

After reading the letter, Comrade Hu Yaobang instructed the Secretariat of the Ceneral Office of the CPC Central Committee to write a reply congratulating the people of Pingdingshan City and wishing them success in their future work.

The reply from the General Office of the CPC Central Committee has had a strong impact on the people of Pingdingshan City. They say they have been motivated by the spirit of comrade Hu Yaobang's instruction and will properly carry out all work for 1986 with further efforts, begin fulfilling the Seventh 5-Year Plan, and fight to fulfill the quadruplification target by 1993.

HENAN RADIO ON SUBSIDIZING AGRICULTURE

HK210557 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 17 Feb 86

[Station commentator's article: "Really Do Well in Subsidizing Agriculture With Industrial Income"]

[Text] In the practice of subsidizing agriculture with industrial income, we allocate part of the increased profits of local industries, as well as town and township enterprises, to subsidizing the development of the farming, breeding, and vegetable-growing industries in suburban areas. By doing this, we appropriately readjust the economic interests of industrial workers and peasants. Therefore, this is an important and long-term rural policy.

Under the new circumstances, in which the rural commodity economy is vigorously developing and the secondary and tertiary industries are rapidly developing, the tasks of making agriculture stand firm and promoting the peasants' initiative in tilling the land in order to help the farming and breeding industries develop steadily have become the urgent issues yet to be solved by the rural areas in the second stage of reform. But what is the method for solving these issues?

It is impossible for us to increase the profits of agriculture to the level of those of industry and sideline production just by raising the prices of agricultural products. It is also unrealistic for us to increase the profits of agriculture just by making factories suffer heavy losses and by reducing the prices of the means of production for agriculture.

The correct choice can only be the one in which we can strengthen the vitality of agriculture and strive by all means to improve productivity, while at the same time adopting a policy of subsidizing agriculture with industrial income and readjusting the relations between agriculture and rural industries, as well as other trades. We should find a new way for agriculture and industry to promote each other's development and develop in a coordinated way.

Recently, when visiting the province, Premier Zhao Ziyang stressed that, judging from the developmental trend, China must solve the issue of making the rural areas' agriculture and industry promote each other's development.

Over the years, some 5 million of the rural labor force have turned to branches of industry other than agriculture, engaging in industry, sideline production, and tertiary industry. Thereby, they have earned considerable profits. In 1985 alone, the output value of the province's town and township enterprises totaled more than 15.1 billion yuan. This has shown that the practice of subsidizing agriculture with industrial income has not only brought benefits to agriculture but also to town and township enterprises. In the long run, we should focus on the development of production and use the subsidies mainly for improving agricultural production conditions; for popularizing new agricultural technology; for developing services before, during, and after the production process; and for developing intellectual resources.

To subsidize agriculture with industrial income and to promote the rich helping agriculture are the right ways for the rural areas to put agriculture, industry, and sideline production into their proper positions, as well as to develop them in a coordinated way. All localities must act in accordance with their local conditions, and formulate in a down-to-earth manner the specific measures for subsidizing agriculture with industrial income, so as to promote a continuous and steady development of agriculture.

HUBEI RADIO CALLS FOR PROPER GROWTH RATE

HK210928 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 Feb 86

[Station commentary: "Industrial Production Must Increase in a Proper Way"]

[Excerpts] Although the province's industrial production increased in January, the growth rate was unsatisfactory and the target was not attained. This merits the serious attention of economic departments at all levels. Maintaining a proper growth rate while raising economic efficiency is of great importance to continuous and coordinated economic development, to a good beginning of the Seventh 5-Year Plan, to the attainment of the province's quadruplification target ahead of schedule, and to a steady increase in the province's revenue. The relatively low growth rate of the province's industrial production in January was due to objective factors such as insufficient electricity supply and funds and a shortage of some materials, and to subjective reasons such as our failure to properly handle the relationship between growth rate and economic efficiency.

It must be pointed out that we must continue to avoid the trend of placing undue stress on a high growth rate. However, this does not mean that we should not do our utmost to attain the target, which can be attained through our strenuous efforts. In this respect, all factory managers and enterprise heads must link growth rate with economic efficiency with a view to making more contributions for the people. They must adopt an attitude of seeking truth from facts and refrain from doing everything indiscriminately. Those localities and enterprises which can guarantee the supply of raw materials and energy and whose products are fine and marketable should seek a high growth rate, whereas those enterprises whose products are inferior and unmarketable should avoid seeking a high growth rate.

NINGXIA SECRETARY ON IMPROVING PARTY CONDUCT

HK222140 Yinchuan NINGXIA RIBAO in Chinese 3 Feb 86 p 1

[Report: "CPC Committee of the Autonomous Region Holds Cadre Meeting on Straightening Out Party Style"]

[Excerpts] The Ningxia Autonomous Regional CPC Committee held a meeting of cadres from organizations directly under the region at the Hongqi Theatre in Yinchuan on the afternoon of 30 January. The meeting called on all party members and cadres of the regional party and government offices to set an example for the region in rectifying the work styles of the party and to strive for a fundamental improvement of the party's work style within the year. At the meeting, Li Xuezhi, secretary of the regional CPC Committee, delivered a speech entitled "The Regional Party and Government Organizations Should Learn From the Central Organizations and Set an Example for the Region in Improving Party Conduct." Comrade Li Xuezhi said: On 6 and 9 January, the party Central Committee Secretariat held meetings of cadres from the central party and government organizations, in which Hu Yaobang and other central leading comrades made important speeches. At a recent meeting of the Standing Committee of the party Central Committee Political Bureau, Comrade Deng Xiaoping spoke too on the question of rectifying party work style. He put forward principles, demands, and measures for improvement of party conduct and called on all party members and cadres of the central organizations to set an example for the nation in this respect. The important policy decision and arrangements made by the party Central Committee are very wise and correct and have come at the right time, conforming to the common aspirations of the party, the people, and the Army. This will certainly give a powerful impetus to achieving a fundamental improvement of party conduct, strengthening the building up of the party ideologically and organizationally, achieving a better work style in offices, and gradually developing our economic restructuring in depth. Meanwhile, they are of far-reaching significance and have a positive effect on the successful fulfillment of the Seventh 5-Year Plan and building of socialism with Chinese characteristics. Our regional party and government organizations should learn from the central organizations and set an example for the region in the improvement of party conduct.

Comrade Li Xuezhi also said: In terms of their status and role, the regional party and government organizations are the key to rectifying office work style and achieving a fundamental improvement of the party's work style and the social conduct at large. The regional party and government organizations should play an important part in rectifying the party's work style. Since the 3d Plenary Session of the 11th CPC Central Committee, the region's party organizations at various levels have done a great deal of work in building up the party ideologically and organizationally. Through party rectification, the party's work style in our region has greatly improved. Party work style in the regional party and government offices is good in the main. However, we must understand that all the unhealthy practices pointed out by the central leading comrades at the cadre meetings of the central organizations also find expression to a certain degree in our region. The appearance of such a situation is mainly because we have failed to pay adequate attention to the building of a culturally and ideologically advanced socialist civilization, and to political and ideological work in the past few years. Some malpractices were initiated in the regional party and government organizations, but we failed to identify some of these malpractices in time, or we discovered some of them but we failed to take effective measures to check them. The regional CPC Committee should seriously examine the matter and correct the mistakes. On behalf of the regional CPC Committee, Comrade Li Xuezhi solemnly declared: All party members, cadres, the masses and friends outside the party ardently hope that serious cases of malfeasance and violations of law and discipline involving members of party organizations at all levels, and even leading cadres at the regional level, will be exposed and criticized, and they are also encouraged to play a supervisory role in the matter.

Comrade Li Xuezhi stressed: Responding to the call of the party Central Committee, our region must go into action immediately and resolutely carry out the principle of

"firmness and endurance" in rectifying unhealthy tendencies as required by the party Central Committee. We must not utter empty words but must perform more actual deeds and make earnest efforts to deal with current malpractices. From now on, the regional leading organs, leaders, and cadres must first take the lead in rectifying the party's work style, and then the drive will be carried on from above to below and at all levels. We must achieve marked results in the first half of the year and strive to effect a basic turn for the better in the party work style of the regional party and government offices. To this end, we must stress the following four aspects at present:

1. Conscientiously Study Relevant Documents, Strengthen Ideological Education and Enhance Political Consciousness in Improving Party Conduct

All the regional party and government organizations should organize their party members and cadres to particularly study important speeches by the central leading comrades at meetings attended by cadres from the central party and government offices to study important speeches and instructions by Deng Xiaoping and other leading comrades; to study the various regulations of the party Central Committee, the State Council, and the Central Discipline Inspection Commission on checking unhealthy practices; to review the party Constitution and "criteria of party members;" to deeply grasp the importance and urgency of improving party conduct; to make sure of the principles, policies, and methods of improving party conduct, and to have a clear understanding of the importance of setting an example by the regional party and government organization and their responsibilities in improving party conduct.

2. Examine Party Work Style in an Extensive and Profound Way

In the past few years, the party Central Committee and the State Council have issued a number of rules and regulations. In improving party conduct and checking unhealthy practices, we must carry out these rules and regulatons in earnest. At present, we must measure ourselves and correct mistakes exactly in accordance with the six points prescribed in Document No 57 issued by the General Office of the party Central Committee and of the State Council last year.

3. Conscientiously Handle Major and Important Cases and Seriously Deal With Those Who Violate the Law and Discipline and Engage in Unhealthy Activities

In improving party conduct and rectifying unhealthy tendencies, we must dare to tackle tough problems, smash "favoritism through connections" and go into action immediately. Those who ought to be criticized should be criticized, those who ought to be punished should be punished, and those who ought to be dealt with according to law should be dealt with accordingly. In no case should we be softhearted toward them, because to tolerate evil is to abet it. In particular, we should not tolerate the reckless criminal activities of corruption, robbery, speculation, swindling and bribery which are harmful to the interests of the state and the people. Once they are discovered, we must vigorously pursue and fiercely maul them and deal with them according to law. We must get to the bottom of all cases regardless of the rank of the cadres involved.

4. Formulate and Improve Various Rules and Regulations

The meeting was presided over by Comrade Hao Yanzao. During the meeting, he also made known "Some Regulations on Improving Office Work Style" formulated by the regional CPC Committee and people's government.

The meeting was attended by more than 1,000 persons, including leading comrades of the regional party and government organizations, responsible comrades of the departments directly under the region, and of prefectures, cities and counties, and all delegates to the fourth party congress of the departments directly under the region.

BAI JINIAN SPEAKS TO SHAANXI CADRES MEETING

HK210939 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 19 Feb 86

[Excerpts] A report meeting of the provincial organ cadres going to the countryside was held in Xian from 17 to 19 February. At the meeting, the cadres going to the countryside reported their work and exchanged their experiences. Bai Jinian, secretary of the provincial CPC Committee, and Mou Lingsheng, deputy secretary of the provincial CPC Committee, spoke. In his speech, Comrade Bai Jinian said: The cadres going to the countryside have scored initial achievements in a short period of time. Three aspects, at least, must be affirmed:

1. They have done many good things for rural areas. For example, they have done a lot of investigation and study, helped rural areas train grass-roots cadres, readjusted the production structure, strengthened social order, helped some township and town enterprises revive, and so on.

2. The cadres going to the countryside have experienced practical tempering. The vague idea of going to the countryside this time, which the great majority of cadres had, was clarified. They came to further understand the strategic significance of this work.

3. Cadres' going to the countryside provides a good lead in straightening out organs' work style and plays a very good role in pushing work forward. Comrade Bai Jinian emphatically said: In rural work this year, it is necessary to vigorously develop the fruits of reform, to develop the rural commodity economy, and to change the poor and backward outlook. This must be regarded as the focal point of rural work. He demanded: In grasping rural work, it is essential to do well in grasping ideological and political work and to persist in simultaneously grasping the two civilizations. At the same time, it is imperative to do well in grasping party rectification in the rural areas and to further improve the quality of the rural cadres. He hoped that they all would score still better achievements in going to the countryside to stay at the grass roots this year.

Mou Lingsheng, deputy secretary of the provincial CPC Committee, also spoke at the meeting: After summing up the previous situation in going to the countryside, he said: Going to the countryside to stay at the grass roots now is completely different from before. In the new situation, there is new guiding ideology, new tasks, and new methods. Only by understanding and grasping these new characteristics can we creatively accomplish the tasks handed over to us by the provincial CPC Committee. Mou Lingsheng put forward this year's tasks to the cadres going to the countryside:

1. They must help the county and township CPC committees do well in training grass-roots cadres, in straightening out the rural grass-roots organizations, and in party rectification in the rural areas.

2. They must continue to help all places do well in readjusting the rural production structure. In accordance with local resources, labor force, technology, and capital, they must take such measures as are suited to local conditions to determine the backbone industry and develop production.

3. They must impart scientific and technological knowledge to rural areas and use science and technology to reform agriculture and to arm the township and town enterprises.

4. They must continue to help the poor and strive to ensure that 20 to 30 percent of the poor households can solve their problems of clothing and food this year. After 3 to 5 years' hard work, we must cause all poor households to basically extricate themselves from a difficult position.

5. It is necessary to do well in investigation and study.

DEFENSE SPOKESMAN VIEWS PLA PILOT DEFECTION

OW220253 Taipei CNA in English 0236 GMT 22 Feb 86

[Text] Taipei, Feb. 21 (CNA) -- A Ministry of Defense spokesman said Friday in a news conference the ministry is closely watching developments surrounding the flight of a Communist Chinese MIG-19 jet fighter to South Korea, saying the incident has again pointed to the doom of the communist regime. Chang Hui-yuan said the Defense Ministry as ordered the military attache in Seoul to contact Korean Government for details of the freedom seeking flight.

The flight, second in seven months' time by a Chinese Communist pilot, Chang said, echoes firmly what he had said in a news conference also held after a similar flight last August, that given opportunity, every communist pilot on the mainland would seek freedom. Hsiao Tien-jun piloted a Soviet developed Ilyushin-28 bomber, crash landing in South Korea last Aug. 24, and later won asylum in the Republic of China. Chang stressed that the people on the mainland, either civilians or the military, have long harbored hatred against the besieged communist regime. Though the communists claimed to have been engaged in an alleged economic reform and "open door" policy, Chang said, the time-bomb has been ticking and will explode at any time.

Pilot Said Welcome

OW221051 Taipei CNA in English 1030 GMT 22 Feb 86

[Text] Taipei, Feb. 22 (CNA) -- Military Spokesman Chang Hui-yuan said Saturday that the Defense Ministry welcomed the statement by its South Korean counterpart that the Communist Chinese jet pilot who flew into Seoul Friday afternoon wanted to seek freedom "in a third country." According to foreign wire service reports, South Korea's Defense Ministry declared this morning that the defecting Communist Chinese pilot Chen Pao-chung wants "to go to a third country."

Maj. Gen. Chang said that his ministry welcomes the freedom-seeking MIG pilot to come to the Republic of China. Chang noted that the Defense Ministry is watching closely development of the incident. The ministry also has instructed the military attache at the Chinese Embassy in Seoul to give all necessary assistance and support to the freedom-seeking pilot.

TOKYO PRESS REPORTS DEFECTOR TO GO TO TAIWAN

OW221415 Taipei CNA in English 1402 GMT 22 Feb 86

[Text] Tokyo, Feb. 22 (CNA) -- All major Tokyo newspapers Saturday reported in evening editions Lt. Col. Chen Pao-chung will be allowed to go to the Republic of China as soon as the South Korean Government completes its investigation of his defection. TV networks and radio broadcasting stations also made similar reports in their afternoon newscasts. They all used dispatches filed by their own correspondents in Seoul, quoting the Korean Ministry of Defense as announcing in a statement the release of the defector to "a third country" on completion of the necessary investigation. The "third country" in the official statement, all media here said, meant the Republic of China as the past cases of defection indicated.

KOREAN CONSULATE COMMENTS ON DEFECTOR'S STATUS

HK230604 Hong Kong HONG KONG STANDARD in English 23 Feb 86 p 1

[Text] The South Korean Consulate-General in Hong Kong may not have a role to play this time in the defection of a Chinese Air Force pilot who defected to South Korea in a MiG-19 fighter. In past incidents of similar nature the consulate here played a major role in the negotiations. Consul Kyung H. Kim told THE STANDARD yesterday that since the case was very clear that the pilot obviously did not want to go back to China, the Korean Government would respect his wishes. News reports yesterday indicated that the pilot is likely to be granted political asylum. China has called on Seoul to return the plane and the pilot, while Taiwan has indicated he is welcome.

Mr Kim said that it would be no problem to return the aircraft to China as requested. "There have been precedents. This has not yet been the decision of our government. But it may be an inference on the basis of the past practices." He said the case was too simple to involve the consulate-general. But he did not say if the Chinese and the Korean governments would deal directly or through Hong Kong. South Korea has diplomatic ties with the island but not China. During the past two events the Chinese negotiations with the Korean Government took place in Hong Kong.

DENG XIAOPING MEETS FELLOW TOWNSMEN IN CHENGDU

HK230254 Hong Kong WEN WEI PO in Chinese 23 Feb 86 p 1

[Dispatch from special correspondent Yang Yung-nian in Chengdu: "Deng Xiaoping Meets Fellow Townsmen in Chengdu"]

[Text] Chinese leader Deng Xiaoping met in Chengdu with representatives from Guangan County who came to see him. Deng was very happy when he was informed of the arrival of his fellow townsmen. He said humorously: Today I have met our local officials at last. Deng Xiaoping shook hands with them and asked their names. He praised them repeatedly, saying: You are educated young people with bright prospects. Then he exhorted them in earnest: You should do a good job in building Guangan. According to a report carried in CHONGGINO RIBAO on 21 February, Luo Guoxing, secretary of the Guangan County CPC Committee, Vice Magistrate Wang Hongjun, and responsible comrades of Nanchong Prefecture went to Chengdu's Jinniu Guesthouse on the fifth day of the Lunar New Year to see Deng Xiaoping and Wang Zhen.

After the meeting, Zhuo Lin warmly received Luo Guoxing, Wang Hongjun, and other comrades. When Zhuo Lin learned that the two local officials were only 33 years old and had a university education, she said gladly: Young people are in the prime of life to build their careers. Comrade Deng Xiaoping has always said that we should entrust young people with important tasks and give them a free hand in their work. Comrade Xiaoping was only 20 or so when he assumed the office of political commissar of the Seventh Red Army. When the fellow townsmen were talking about Deng Xiaoping's former residence, Zhuo Lin passed on Deng Xiaoping's idea to them: Deng Xiaoping said that we communists live to serve the people. Our funds should be used to develop the people's undertakings. Zhuo Lin expressed satisfaction over the plans of the country CPC Committee on planting trees around Deng Xiaoping's former residence.